

## Bitter Debate Over Debates Leaves Bush And Clinton Still Offstage

By Paul F. Horvitz  
*International Herald Tribune*

WASHINGTON — Bitter haggling broke out Wednesday between the campaigns of Governor Bill Clinton and President George Bush over proposals for televised presidential debates.

At midday, after a rapid exchange of facsimile letters, the two camps appeared no closer to compromise, despite a sharp reversal by Mr. Bush on Tuesday night, when he challenged Mr. Clinton to debate on four successive Sundays after previously refusing to face the Democrat.

On Wednesday, Mr. Bush's campaign chairman, Robert M. Teeter, asked his counterpart in the Clinton camp, Mickey Kantor, to arrange

Mr. Perot has spent heavily on his movement, including fees to "volunteers." Page 3.

a meeting at any location "of your choosing." The president himself said, "We have offered to meet with Governor Clinton's campaign anywhere, anytime."

Mr. Kantor responded by asking Mr. Teeter to appear Wednesday night in Washington at the offices of the bipartisan Commission on Presidential Debates.

"They ought to meet with us, and the debate commission offered their offices," Mr. Kantor said at a news briefing.

Mr. Teeter caustically rejected the overture, repeating the Bush camp's view that the commission, which arranged the 1988 presidential debates, must not be involved. He taunted: "What are you afraid of?"

"This is a good, bold proposal," Mr. Bush declared in a televised interview Wednesday. "It's captured the imagination of the whole country."

Later, he labeled Mr. Clinton "missing in action" on debates.

Mr. Clinton accused the president of "manipulation" for political gain by refusing to accept debates offered by the debate commission.

"Let's not wait two weeks," the Arkansas governor said. He immediately challenged Mr. Bush to meet him Sunday in San Diego and on Oct. 15 in Richmond, Virginia, for two encounters scheduled by the commission, which consists of five Democrats and five Republicans.

Later, CNN announced that Mr. Bush would instead appear on a program Sunday evening.

The governor pointed out that the latest Bush proposal could conflict with live broadcasts of three baseball playoff and World Series games and that there was no guarantee that all major television networks would carry the debates.

"I never tried to manipulate the format," Mr. Clinton said. "I never tried to manipulate the timing. I never tried to dodge the debates."

Mr. Bush called Tuesday for presidential debates on Oct. 11, Oct. 18, Oct. 25, and Nov. 1, the last one just two days before the election. The president said he would be happy to see Ross Perot join the debates if the Dallas businessman decided to enter the race as an independent candidate.

The Bush proposal was clearly designed to turn the tables on Mr. Clinton, who has been chiding the president for avoiding debates.

It also seemed calculated by Mr. Bush's top campaign strategist, James A. Baker 3d, to

See DEBATE, Page 8



President François Mitterrand, left, greeting Prime Minister Jean Major at the Elysée Palace in Paris on Wednesday.

## In Eurobiz, 2-Track Is Not a Dirty Word

By Tom Redburn  
*International Herald Tribune*

PARIS — Can a single market survive and prosper in a two-track Europe? That's what European business is about to find out.

At first glance, the question seems misplaced. After all, nearly all the obstacles to the European Community's long-planned single market — the free flow of goods, money, services, and people across borders — have already been eliminated.

The breakdown of Europe's lock-step march to a future economic and political union, which has split its member nations into different factions, will not prevent Europe 1992 from coming effectively into force on schedule at the end of the year.

"The monetary turmoil has no influence on the pace at which we are advancing towards the single market," said an EC spokesman in Brussels.

But a deeper look reveals a somewhat more troubling picture. The construction of Europe's

prosperous border-free market across 12 separate nations has been built on a foundation of exchange rate stability.

With exporters in Britain and Italy suddenly gaining a price advantage over their French and German rivals from the disruptive withdrawal of their currencies from Europe's exchange-rate mechanism, there is plenty of scope for renewed fighting.

"Before, businessmen and investors were adopting the view that there was an island of exchange-rate stability in Europe," said J. Paul Horne, the chief international economist for Smith Barney, Harris & Upham. "Today that island is under water."

The result is the potential return of several disruptive forces that could undermine support for the broad-based business competition that did so much to revive European economic growth in the latter half of the 1980s.

Spain, Portugal and Ireland, for example, have reintroduced, at least temporarily, partial exchange controls to defend their currencies.

The backlash against bureaucratic interference from Brussels, while a genuine expression of public sentiment, could also be used as a protectionist device to block enforcement of the standards of the single market.

In particular, Britain's withdrawal from the EC's exchange-rate mechanism and subsequent devaluation has sparked fears that it will no longer play by the unwritten rules of the single market.

"The British are trying to have it both ways, getting all the advantages of being inside Europe without being willing to pay the price by maintaining a stable currency," Mr. Horne said. "Their export pricing advantage could turn into a substantial bone of contention."

So far, however, most big businesses do not seem to be particularly worried by the apparent split of the EC into a fast lane for some countries and slower lanes for others. Whatever happens to the Maastricht treaty, they are

See EUROPE, Page 8

## Fresh Attack Flattens Lira As Bank Run Startles Italy

Compiled by Our Staff From Dispatches

LONDON — The lira plunged Wednesday in European trading, shattering the calm that had reigned since the Italian unit was bundled out of the European Community's currency grid two weeks ago.

The Deutsche mark soared against the lira after market rumors that Rome planned to freeze bank deposits. The government strongly denied the talk, which led to a bank run.

Later in New York, the dollar fell against the mark, although it ended the day mixed against other major currencies. It rose to 1,224.00 lire from 1,199.50.

The strength of the mark did nothing to help Frankfurt stock prices, which hit a 1992 closing low, and London shares fell on gloom over interest rates. (Page 11.)

The Italian currency lost more than 5 percent of its value against the German mark early Wednesday as swirling rumors about exchange controls or possible cuts in official interest rates triggered near-panic selling.

The Deutsche mark surged to 877 lire from 845 Tuesday, although it ended below its intraday high of 893 lire. The dollar, meanwhile, rose to 1,224 lire in Milan from 1,199 on Tuesday, although the U.S. currency lost ground against some other units after weak economic data on August housing starts reinforced the idea that an interest-rate cut was likely later this week.

With confidence faltering in the lira, it seemed that Italy would not be able to return the currency to the exchange-rate mechanism of the European Monetary System in the near future.

"It is going to have to float for a long while — probably several months yet — before we can think about a return," said Mario Noera, chief economist with Milan merchant bank Eurocomobank.

The rumors of capital controls were fueled by reports of Italians withdrawing savings from local banks with many in the North seeking refuge for their funds over the border in Swiss and French banks.

Bankers, who said the move to withdraw cash and sell investment portfolios began last week, reported persistent rumors of plans for a 30 percent freeze on deposits.

The Treasury, which has daily had to deny talk it planned to hit holders of

See LIRA, Page 12

## Major Vows His Support Of Maastricht Won't Waver

### Paris Favors London On Limiting EC's Power Over Internal Affairs

By Alan Riding  
*New York Times Service*

PARIS — Eager to demonstrate that Britain is not once again out of step with its European Community partners, Prime Minister John Major flew to Paris on Wednesday to reassure President François Mitterrand that he remains fully committed to a new treaty on European union.

In exchange, Mr. Major won strong French backing for the idea of limiting the Community's power to interfere in the internal affairs of member states, a change that the British leader believes is necessary if the House of Commons is to ratify the union treaty.

The two men further sought to put to rest recent speculation about a "two-speed" Europe in which Germany, France and some other Community members would move toward monetary union without Britain.

"We are absolutely at one," Mr. Major said. "The Community needs to move together as 12."

But the German finance minister, Theo Waigel, said Wednesday that European countries with stable economies and currencies could make up a joint currency zone that would be the nucleus of a future Europe, Reuters reported from Bonn.

[Mr. Waigel said in an interview with the Nordkurier newspaper, made public ahead of publication Thursday, that he would not describe this as a two-speed development, but rather a Europe of concentric circles.

"I do not want to use the phrase 'two speeds,'" Mr. Waigel said. "But one thing is sure: there will be a Europe of concentric circles." A Finance Ministry spokesman confirmed Mr. Waigel's statements.]

In a day of intense British diplomatic activity, which included a dinner for Prime Minister Poul Schlüter of Denmark in London on Wednesday night, Foreign Secretary Douglas Hurd also traveled to Bonn for talks with Foreign Minister Klaus Kinkel to patch up their governments' frayed relations.

After a wave of speculation forced Britain to withdraw the pound from the Community's system of linked currencies and accept its devaluation on Sept. 16, British officials angrily blamed high German interest rates and destabilizing remarks by the head of the German central bank.

On Wednesday, London and Bonn tried to put this row behind them.

"The relationship between Britain and Germany sometimes runs into a rough patch," Mr. Hurd conceded. Mr. Kinkel added, "We have to see that we calm the waters now. We should not fall into hysterically talking up problems."

The union treaty, which sets out plans for adoption of common foreign and security policies and creation of a single currency by 1999, can only enter into effect after ratification by all 12 Community states. So far, it has been ratified by Ireland, Greece, Luxembourg and France, but it was rejected by Denmark.

With Britain currently holding the Community's rotating presidency, Wednesday's trips by Mr. Major and Mr. Hurd were presented as part of preparations for an emergency summit meeting in Birmingham on Oct. 16 when the 12 leaders hope to eliminate some of the problems still standing in the way of the treaty.

Among these is the problem caused by Denmark's narrow "no" to the treaty in a June referendum. Mr. Schlüter said Wednesday in London that the treaty could be put to a new referendum next year, but it would require "supplements" committing the Community to "less bureaucracy and more democracy."

After French voters only narrowly approved the treaty 10 days ago, other Community governments also agree that it must be made more "people-friendly."

In a joint statement, Mr. Major and Mr. Mitterrand emphasized the Community's need to respect national identities and avoid unnecessary involvement in national affairs.

They also argued that the Community's decision-making procedures should be "more open to public scrutiny," and that greater efforts should be made to demonstrate how the union treaty "would affect the lives of individual

See TREATY, Page 8

## As Somali Bands Fight and Loot, Starving Goes On

By Jane Perlez  
*New York Times Service*

MOGADISHU, Somalia — From his sparsely furnished offices in the south of this destroyed and divided capital, General Mohamed Farrah Aidid, a Soviet-trained military officer who lays claim to being the rightful leader of Somalia, spends hours every day stitching together the frayed loyalties of clansmen who demand food and loot in exchange for their allegiance.

Six kilometers (four miles) away, past potholed streets lined with rubble, Ali Mahdi Mohammed, a mild-mannered hotelier who goes by the title interim president of Somalia, drives from hot spot to hot spot in his north-

ern enclave to negotiate, in a similar effort, with breakaway soldiers who mutiny over their payments.

In spite of the daily battles within their organizations, General Farrah Aidid and Mr. Mahdi Mohammed are the strongmen of Somalia's chaotic, clan-based society, each with the ability to call on more fighters, money and ammunition than anyone else. The war between them has made it impossible to deliver food to regions hit by a famine estimated to have killed more than 100,000 since March.

When the United Nations voted recently to send 3,000 soldiers to Somalia on top of the 500 already there but not deployed, the steely

eyed General Farrah Aidid threatened to send them home in body bags.

"We don't need outsiders," he said in a recent interview. "With our own troops and a police force reconstructed with the help of the United Nations, we can look after the food. Since we have not been consulted in sending 3,000 troops to Somalia, it may be a matter of snubbing us."

The more conciliatory Mr. Mahdi Mohammed said he welcomed the UN forces, apparently believing that their presence would give him an extra measure of power. He already lays claim to the Somali seat at the United Nations — a claim that no other government recognizes — as a sign of his power.

"We need the United Nations forces, not only to protect the food," said Mr. Mahdi Mohammed, who drives around in the looted white Range Rover of the former British ambassador. "We want the United Nations to give us a hand in collecting and buying the arms. To bring law and order, we need outside force."

The two men, both in their mid-50s, belong to the same clan, the Hawiye, and conspired in January of last year to depose President Mohamed Siad Barre. After that, they fell out and used the men of their subclans to fight the war that destroyed Mogadishu earlier this year.

See CLAN, Page 8

## Russian Capitalism: Entrepreneurial Zeal and a Pinch of Piracy

By Michael Dobbs  
*Washington Post Service*

ST. PETERSBURG — With his blow-dried hair, Valentino suit and briefcase crammed with \$100 bills, Vyacheslav Koziritsky looks like a character out of "Dallas." But even J. R. Ewing might have found it difficult to match his talent for capital accumulation.

Back in 1986, when capitalism was still a dirty word in Russia, Mr. Koziritsky was the manager of a humble state-owned restaurant. He took advantage of Mikhail S. Gorbachev's first economic reforms and rented a run-down bar on a beach by the Baltic Sea. The bar has since grown into a booming food conglomerate,

complete with cattle farm, bakery, shopping mall, restaurants and grocery stores.

"Everything is possible in Russia," boasted the self-made millionaire, flashing a wad of Western credit cards. "Russia is not Bulgaria or

First of two articles

Romania: It is one-sixth of the Earth's surface. There are untold riches and opportunities here, if you know how to exploit them."

Mr. Koziritsky's unabashed enthusiasm for Western luxuries and optimistic outlook on life typify a brash new social class: the capitalist entrepreneur. He is a product of a sudden lurch

toward the free market that has left tens of millions of his fellow citizens below the poverty line but has given a small but growing minority a taste of previously unattainable affluence.

Contemporary Russia, like Victorian Britain, is rapidly becoming a land of two nations with very little in common. The rich measure their income in dollars and drive about in newly imported Mercedes-Benzes, Volvos and BMWs. The poor struggle to maintain a minimum standard of living based on ruble salaries that are being eaten away by inflation.

For all the egalitarian pretensions of the world's first communist state, Russian society always has been divided into rich and poor.

Under communism, there was a top layer of bureaucrats, scientists and leading cultural figures who lived exceptionally well.

But the privileges of the elite were kept well hidden from the rest of the population in a forbidden zone of special stores, special housing and special health clinics.

Many members of the old Communist Party aristocracy have now fallen on hard times.

Their vacation resorts and country homes have become the playgrounds of a new plutocracy made up of businessmen-bustlers with a penchant for conspicuous consumption. The gap between rich and poor is more visible —

and, some would argue, more unbridgeable — than ever.

"We have a lot of very poor people and a few very rich people," said Leonid Guzman, a government adviser on social policy. "There is no recognized stairway from one group to the other. There is a widespread perception that the only way to become rich is through some kind of shady operation. This is very dangerous, because it means that most people have no incentive to work hard. If you are poor, you have no future."

The lack of an efficient taxation system

See CAPITAL, Page 6

## The Clandestine Epidemic

### Depression Comes in Many Disguises And Often Eludes Correct Diagnosis

By Jane E. Brody  
*New York Times Service*

NEW YORK — The symptoms can run from headaches and chest pains to memory loss and extreme apathy. The diagnoses can range from heart disease to Alzheimer's. But the real cause is often depression, a disorder of epidemic proportions that is typically unrecognized, misdiagnosed or improperly treated.

People who complain of depression are commonly admonished to snap out of it. Countless others with physical symptoms like recurring headaches or backaches never realize that their complaints emanate from depression.

As a result, many depressed people never bring their problems to medical attention. And when they do, they typically see doctors who are not specialists in mental health, who are likely to miss the diagnosis of severe depression at least half the time, according to a 1989 study by Rand Corp., a research institution in Santa Monica, California. The rate of misdiagnosis is even higher for the more common milder forms of depression.

Even when the diagnosis is correct and medication prescribed, it is frequently the wrong

drug or too low a dose. Such mistaken treatment, in turn, feeds into the popular notion that not much can be done about depression. But at least 80 percent of patients can obtain significant relief through modern anti-depressants and relatively brief psychotherapy.

On Oct. 8, National Depression Screening Day, psychiatrists and other mental health professionals in all 50 states will volunteer their time in an effort to uncover some of the millions of cases of undiagnosed depression.

Free screenings for signs of clinical depression will be offered to an estimated 30,000 people at more than 300 hospitals, mental health centers and college health services.

Last year's screening day saved the lives of at least three people with strong suicidal feelings who required immediate hospitalization. More than half of the people screened, who, of course, were self-selected, were found to score positive for depression.

Although most depressed people get better on their own within six to 24 months without treatment, early diagnosis and treatment can

See DEPRESSION, Page 8



WAR HITS HOME — A Tajik fighter mourning the death of his brother, victim of a sniper Wednesday in Kurgan-Tyube as Tajikistan's civil war worsened. Page 6.

## Kiosk Senate Approves Bosnia Military Aid

WASHINGTON (AP) — Turning up pressure on President George Bush to intervene in the former Yugoslavia, the Senate voted Wednesday to authorize U.S. military aid to Bosnia-Herzegovina.

On a voice vote, senators said the current arms embargo on the region was serving only to maintain a military imbalance in favor of Serbia, which has more than 1,000 tanks, armored vehicles and artillery pieces.

The lawmakers adopted an amendment to the 1993 foreign aid bill offered by Senator Joseph Biden, a Democrat from Delaware, calling for the United Nations to exempt

Bosnia from the arms embargo. The president would then be authorized to transfer to Bosnia up to \$50 million worth of weapons and other military equipment from Pentagon stocks.

The \$14.1 billion aid bill still must go to a House-Senate conference, where the Bosnia provision may be dropped. The overall aid bill provides economic, development and military aid to U.S. friends and allies around the world.

Among major provisions are a five-year, \$10 billion loan guarantee for Israel to use in absorbing a flood of Jewish emigrants from the former Soviet Union.

### General News

A final defense system in a Japanese nuclear plant prevented a core meltdown. Page 2.  
The U.S. returned Subic Bay Naval Station to the Philippines. Page 3.

Yugoslavia appealed to the United Nations for winter fuel oil. Page 2.

### Health/Science

Ferrets have their good and their bad sides. Page 9.

Business/Finance  
U.S. new-home sales fell 6.2 percent in August, a five-month high. Page 11.

Crossword  
Weather Page 2.

### Dow Jones

Up 4.86  
3,271.66

The Dollar  
New York West close previous close  
DM 1.4113 1.4125  
Pound 1.7885 1.7885  
Yen 119.90 119.245  
FF 4.7745 4.7735

### Trib Index

Down 1.01%  
92.78



# Fewer Quail, Fewer Bedouin and a Vanishing Way of Life

By Chris Hedges  
New York Times Service

**JUMAMA, Egypt** — Dressed in a billowing white robe and carrying an old double-barreled shotgun, Mohammed Issa padded softly in bare feet through the rolling white sand dunes along the Mediterranean coast.

The 29-year-old Bedouin hunter bent small stands of wood, surrounded at the base by fishnets, with a branch, trying to scare up birds resting in the shade. Suddenly a small, bulbous quail, startled by the movement, darted skyward and Issa swung his gun upward and let loose a blast of birdshot. The quail plummeted onto the sand and lay flapping helplessly until the hunter slit its throat with a knife.

The scene, repeated each September and October across North Africa when the birds migrate south from Europe for the winter, has become embedded in the spartan life of the desert nomads. Many families live off the sale of the birds, most of which are trapped alive in the nets, during the migration. Children with wooden cages filled with quail stand by the edge of the road offering the birds for \$1 each to motorists.

But the skies that a century ago provided a hunter with hundreds of birds a day now provide a few dozen. And the pristine beaches, where the men wait patiently in palm-fringed huts, are rapidly being gobbled up by developers who have already lined hundreds of miles of coastline with concrete bungalows and tawdry tourist hotels.

"We wonder if all this won't be over in three or four years," said Mikayed Ali, a Bedouin hunter. "Each year there are fewer birds and fewer areas to hunt."

The decline in the quail hunt is emblematic of the end of a way of life for the Bedouin across the Middle East. Most are succumbing to modern conveniences and the intrusion of the 20th century.

"Our world is changing," Abed Hussein Bekhater, 50, said as he watched the surf pound ocher-colored slabs of stone. "Only 10 years ago most of us lived without contact with people from the outside. Now it seems we are surrounded by them. The change is good because it gives us money, water and electricity, but we can no longer live like before."

The Bedouin population in the Arab world has already dwindled to a few hundred thousand. As the culture dies it takes with it the bedouin hospitality to the rigid family ties is derived from the iron social code that governs existence in the desert.

Every Bedouin must offer food and lodging for three days to a traveler entering his tent. Women, often left alone while the men hunt or herd the flocks, are forbidden to speak to anyone outside their tribe and must remain veiled, and chaste before marriage.

Egypt's western desert covers two-thirds of the country, although nearly all of the 56 million Egyptians live along the fertile ribbon of land along the Nile.

The huge belts of sand inundate anything that

stands before them, and armies, including that of Alexander the Great, have nearly been swallowed up in the empty tracks.

But new roads and construction seem to have tamed the edges of the desert. And the Bedouin in Jumama, 100 miles (160 kilometers) west of Alexandria, who have just sold their beach property to developers, are struggling to come to grips with the eventual disruption of their lives.

A large blue sign on the beach, put far from the wreck of a World War II warship, heralds the coming of the Birds of Paradise Resort.

"Everything is as God wills," said Mohammed Issa, holding a shotgun that once belonged to his grandfather. "We can do nothing to stop this, but I shall miss the hunt and the peace of the beach. I hope when the houses come I will be able to find a small area to sit and catch quail."

The development has meant quick cash to Bedouin tribes, who own much of the land along the coast.

Some Bedouin also rent out plots to wealthy Egyptian and European hunters, who set up elaborate blinds and shoot dozens of birds with gleaming Italian shotguns. Greek hunters ship their cars over on ferries and stay for several weeks, free of the restrictions on them at home.

"We are becoming poor, while the Bedouin are becoming rich," said Dr. Mohammed Ahmed Abdellah, Alexandria's deputy in parliament.

Bedouin families have built small concrete homes behind the beach developments and are raising sheep and goats. Many now drive pickup trucks.

But despite the financial gains the adjustment promises to be hard, even for those far from the desert expanses.

At midnight in the Beyassa neighborhood in Alexandria, Abdellah sat at a small wooden table outside the crowded King of Quail restaurant.

Cooks tended quail on an open grill and waved a feather fan to keep back the smoke. Stacks of wooden cages filled with birds sat by the restaurant door. Small boys with sticks walked in and out of the tables tapping the stone pavement to keep back the hungry cats lurking nearby.

For more than a century the narrow alleys in this old quarter have been turned over each fall to men who cook quail. The birds, smothered in a black pepper sauce, have become part of the seasonal traditions of the city, and both the elite and the working class sit under the open sky and pick at the meat with their fingers.

"The birds are weak and are not transported easily to Cairo," Abdellah said as constiments came up to shake his hand or say a few words. "They have to be eaten fresh, right after being killed. This is why you only find this kind of restaurant in Alexandria. It is part of our life."

## WORLD BRIEFS

### A Veto Victory, and Defeat, for Bush

**WASHINGTON (AP)** — The House on Wednesday rejected President George Bush's veto of a bill requiring major business workers time off in family emergencies.

The vote on the family leave bill was 258 to 169, leaving supporters well short of the two-thirds majority they needed to override Bush and enact the measure into law. The Senate voted last week to override. The measure was strongly opposed by small-business lobbyists. Opponents pointed to Mr. Bush's 11th-hour alternative, \$500 million in tax credits for businesses that grant the unpaid leave to workers.

Earlier, the House voted, 345 to 74, to override Mr. Bush's veto of a bill putting conditions on renewal next summer of China's most-favored-nation trade status. An override in the Senate, however, was seen as far less likely. Mr. Bush contends that normal trade status between the two countries is important to keep open channels from Beijing to the West.

### UN Suspends Aid to Southern Sudan

**NAIROBI (Reuters)** — The United Nations said on Wednesday that it was pulling out of southern Sudan after a UN worker and a journalist were killed.

The coordinator of UN Operation Lifeline Sudan, Thomas Elvick, said that relief operations in areas near the town of Juba were closed. UN information officials said the entire southern Sudan operation had been "suspended until further notice."

The main faction of the rebel Sudan People's Liberation Army said in a statement on Tuesday that a splinter group had killed a Norwegian journalist, whose name it gave only as Helge, and a UN employee from Burma, Myint Moun, on Sunday. Two other aid workers were abducted. The United Nations said it was holding the rebel group fully responsible for the killings and for security of its staff.

### Spassky Wins, Cutting Fischer's Lead

**BELGRADE (AP)** — Boris Spassky battled back against Bobby Fischer in their \$5 million chess rematch, decisively winning the 12th game Wednesday to cut Mr. Fischer's lead to 5-3.

It was their first game in Belgrade, the Yugoslav capital, in a contest being held in defiance of international sanctions against Yugoslavia. The two former champions played the first half of the match in the Montenegrin coastal resort of Sveti Stefan, then took a 10-day break. The \$3.35 million first prize goes to the first player to win 10 games, with the loser getting \$1.65 million.

**GAME 12 KING'S INDIAN DEFENSE**

White Spassky	Black Fischer	White Spassky	Black Fischer	White Spassky	Black Fischer
1. d4 Nf6	15. Qc2 e5	29. Ne3 Nf7	43. Bx5+ Kf8		
2. c4 g6	16. Qd4 b6	30. Nf5 Qd7	44. Bx1 Nf6		
3. Nc3 Bg7	17. Rd1 Nh7	31. Ch5 Qxd4	45. Bx3 Bx7		
4. e4 d6	18. Nf5 Kh8	32. Rg6 Qxd5	46. B7 Nxf5		
5. f3 Qd7	19. g4 h5	33. Rg7+ Rg7	47. Qd5 Nxf4		
6. Bc3 Nf6	20. h4 f4	34. Bx5 Bx3	48. Bx3 Kh6		
7. Nf2 Qd7	21. Bc2 g5	35. Bx3 Nf5	49. Bx2 Bx2		
8. Bx5 Nf5	22. Bg3 Nf6	36. Bx3 Nf5	50. Bx2 Nf5		
9. Nc1 e5	23. B5 Bf7	37. Bx4 Bx7	51. B3 Kf6		
10. d5 Ne7	24. Rg1 Bf8	38. Bx7 Kx7	52. Kx6 Kf6		
11. Bx2 Nf7	25. Qb3 Bf8	39. Kc2 Bx7	53. Kd6 Kx7		
12. Nf5 f5	26. Gb3 Bf8	40. Kf3 Kf6	54. N7 Nxf5		
13. e4 Nf5	27. Nf5 Kf8	41. Nf5 Kf7			
14. Nf2 e5	28. Ne1 Rg7	42. Nf6 Nf7			

### Mozambican Rebel to Go to Talks

**ROME (Reuters)** — A rebel leader who pulled out of a deal to end Mozambique's 16-year civil war earlier this week was expected in Rome on Wednesday in a last-minute effort to save the accord.

Roman Catholic church mediators said the rebel leader, Afonso Dhlakama, head of the Mozambique National Resistance Movement, had changed his mind and would come to Rome for talks with the Mozambique president, Joaquim Chissano.

Italy scrapped the signing of an Oct. 1 peace agreement on Tuesday after Mr. Dhlakama objected to parts of the settlement and canceled his trip to Rome. Mr. Chissano had already arrived by the time Mr. Dhlakama pulled out.

## TRAVEL UPDATE

The British Mint issued a new, smaller, lighter 10-pence (18-cent) coin Wednesday. With the same design as the old 10 pence piece, it has a more pronounced milled edge to make it easier for blind people to recognize it. And in Sweden, the 10 ore (1.8 cent) coin, with virtually no purchasing power left, is being taken out of circulation.

**(AP, Reuters)**

Spain has made changes in the length of stay permitted for American citizens. Those traveling on passports for tourism, business or transit purposes are allowed 90 days in Spain without a visa, instead of six months as before. An American wishing to stay beyond the initial 90-day period must apply for an extension at a police station before the first authorized stay of 90 days has expired. Barring unusual circumstances, an extension of 90 days will usually be granted.

**(AP)**

A Muslim militant group in Egypt said Wednesday that foreign tourists should not visit Luxor, site of some of the country's most famous Pharaonic temples and tombs, because of clashes between militants and police.

**(Reuters)**

Norwegian cabin personnel for the airline SAS canceled a threatened strike after an agreement was reached Wednesday for job guarantees, a union spokesman said.

**(AP)**

Tourists visiting France increased by 11.4 percent in the first eight months of 1992. About 60,000 more tourists visited France between Jan. 1 and Aug. 31 this year than in the same period of 1991.

**(Reuters)**

# Nuclear Close Call At Japanese Plant

## Final Defense System Works, Preventing a Core Meltdown

**TOKYO** — Operators at a nuclear power plant mistakenly flipped a switch that caused three of a reactor's cooling pumps to fail, activating a final defense system to prevent a core meltdown, a nuclear official said Wednesday.

No radiation was released in Tuesday's emergency shutdown at the plant in Fukushima Prefecture, about 70 miles (112 kilometers) northwest of Tokyo, according to Tokyo Electric Power Co., the owner.

The incident was the first shutdown using the emergency core cooling system since Japan's worst nuclear accident, at Mihama in February 1991, when a small amount of radioactivity was released. The emergency system, the last reliable defense against a core meltdown, pours cooling water onto nuclear fuel rods to prevent them from reaching dangerously high temperatures.

Tokyo Electric was initially reluctant to acknowledge that the emergency system had been triggered at the Fukushima Nuclear Plant, prompting sharp questions from local officials. It did not say if the reactor had been damaged.

A spokesman for the company said the plant's No. 1 reactor automatically shut down at 3:31 P.M. Tuesday after three pumps failed — two that condense steam for recycling into the cooling system and another that pushes water into the reactor.

The shutdown was caused by plant operators who mistakenly flipped a switch informing the plant's control computer that a backup water pump was operating, when it actually was not, said Ryuko Fujii, chief of the Ministry of International Trade and Industry's nuclear safety division.

The computer then automatically shut off another pump, leaving only one supplying water to the reactor's cooling system.

The insufficient supply of water to cool the reactor then caused another group of pumps to fail, Mr. Fujii said. He said plant operators corrected their mistake within a minute, but it was too late.

The pump failure caused the level of cooling water to fall dramatically in the reactor, triggering its emergency shutdown system. At that point, the emergency core cooling system automatically kicked in, pouring water into the reactor, officials said.

The reactor's fuel rods were never exposed during the accident, a company spokesman said. Earlier information had indicated the fuel rods were half-exposed.

The fact that the fuel rods were not exposed meant that the water could continue to cool them and prevent them from reaching the dangerously high temperatures that could have caused a meltdown.

A meltdown could occur if a reactor's rods heat to the point where their uranium fuel starts to melt. The uranium could then burn through the containment building housing the reactor. Once reaching groundwater, it would flash immediately into steam, releasing massive amounts of deadly radioactivity into the air.

Because the water fell so rapidly at the Fukushima plant, some Japanese nuclear specialists suspected a serious problem.

"The water should not keep falling like that," said Juzaburo Takagi, a physicist who heads the Citizens' Nuclear Information Center, an anti-nuclear group.

He said the incident could be related to the age of the plant. Many of Japan's commercial nuclear reactors, including the one in Fukushima, are about 20 years old.

A spokesman said the company informed the prefecture shortly after the first three pumps shut down. But he said Tokyo Electric did not mention that the emergency cooling system had been activated until the company and government nuclear officials had finished an initial investigation.



A man weeping at a grave in Sarajevo on Wednesday as a grave digger looked on. The cemetery used to be a soccer field.

# Yugoslav Army Pulling Out of Croatia

**GENEVA** — The presidents of Croatia and the rump Yugoslavia announced Wednesday that the Yugoslav Army would pull out of the strategic Prevlaka Peninsula, which it has occupied for many months, by Oct. 20.

The two presidents, Franjo Tudjman and Dobrica Cosic, also agreed that their hostile states, which emerged from the collapse of the old Communist Yugoslav federation, would work toward mutual recognition, a joint declaration said.

Yugoslavia now comprises only Serbia and Montenegro.

The text of the eight-point document was read to journalists by the international mediator, Cyrus Vance, as the two presidents, whose forces fought a war last year, stood alongside.

At the same time Lord Owen, with Mr. Vance co-chairman of the Geneva conference on former Yugoslavia, announced that the warring sides in Bosnia-Herzegovina had agreed to talks on the demilitarization of the republic's beleaguered capital, Sarajevo.

The talks, he said, also aimed at ending hostilities, would begin immediately between military chiefs of the Bosnian government and rebel Serbs under the protection of the United Nations' protection force.

The agreement on the Prevlaka Peninsula will formally bring the final withdrawal of the Yugoslav Army from Croatian territory.

"I don't wish to sound a note of euphoria," Lord Owen said, "but it is a great deal better than perhaps we might have hoped even a few days ago."

At the same time, he said to journalists, "Don't anyone write this up as imminent peace and as if we have solved all the problems."

The United States, meanwhile, responding to warnings of a severe winter, announced Wednesday that it was prepared to resume flights of food and medicine to Bosnia-Herzegovina and would consider an appeal from Belgrade for delivery of home heating oil.

The airlift would end a monthlong suspension of flights even though the UN Security Council is still undecided on whether to impose a "no-fly" zone over Bosnia-Herzegovina to deter Serbian planes from shadowing the flights and from attacking Muslim and Croatian areas.

The air lifeline to Sarajevo, the Bosnian capital, was suspended Sept. 3 after an Italian relief plane was shot down by a surface-to-air missile.

Richard A. Boucher, the State Department spokesman, said Wednesday that U.S. military planners had concluded it was safe to resume flights.

Mr. Boucher played down any imminent decision or any suggestion the United States was lessening pressure on Serbia, which it blames for most of the fighting in Bosnia.

He said that countries had the right under the sanctions to apply for humanitarian exceptions and that "these have to be looked at by the sanctions committee."

He stressed that the major factor was the fast-approaching winter. U.S. officials, confirming a report in The New York Times, said the Central Intelligence Agency told the White House that 147,000 Bosnians could die during the winter, assuming aid deliveries remain disrupted.

**(Reuters, AP)**

# As Russia Goes Private, Confusion Rules the Marketplace

**MOSCOW** — Russians jammed telephone lines to brokers Wednesday, seeking to sell their privatization vouchers even before the government distributed them in its most ambitious economic reform.

Millions of the cream-colored vouchers, bearing a picture of the Russian parliament building, sat stacked inside bank safes in preparation for the start of the program Thursday.

Distributed along with the vouchers will be a government menu offering investment tips and advice to be wary of swindlers. It urged recipients to become shareholders in Russian industry.

Many Russians were ignoring the government's advice to keep the vouchers, however. Phones broke down at a key commodities exchange in Moscow after it was flooded with calls from people eager to unload them.

Problems mounted even before the first voucher was handed out.

The government is still printing the certificates. There were only 1.7 million vouchers in Moscow, a city of 9 million.

Many state-owned factories and shops are still deciding how they should be privatized. Many large enterprises have been spared for now, and others wait private before the vouchers were issued.

Distribution could prove difficult in a country which has been unable to print and distribute enough cash to pay its workers for months in many remote regions. It appeared the government was concentrating on sending many vouchers initially to Siberia and the Far East while weather was favorable.

Government opponents made the program the focus of their efforts to attack President Boris N. Yeltsin's free-market reforms.

The vouchers will be given to all 148 million Russians, including prisoners, the homeless and children born before Sept. 1. They carry a face value of 10,000 rubles (\$40), about twice the average monthly wage, but their actual value is unclear.

Opposition leaders warned they would plummet in value, but a top government official said the vouchers already are worth 20 times more than their face value in some places.

The vouchers will allow people to purchase state-owned property at auctions or buy shares in mutual funds that invest in a variety of enterprises.

Russia's most valuable assets, however, remain off-limits to the fledgling investors for now. The privatization plan excludes municipal property, nuclear power stations, defense installations, pipelines, and mineral resources and forests, which will remain under state control.

Mr. Yeltsin's program puts Russia in the forefront of former Eastern bloc nations that are trying to undo the legacy of centralized planning and create a market economy. He created the plan with a presidential decree, and many lawmakers have complained that they should have been consulted.

"It is an anti-people privatization," said a hard-line lawmaker, Mikhail Chelnokov, a leader of the Civic Union legislative faction, during a recent debate. "It is robbing the people. It will help lamdar mafia money."

There was much confusion about the voucher program, despite a government advertising campaign to explain capitalist principles to a people who were taught for seven decades that ownership was akin to exploitation.

"There is more fog than clarity about the vouchers," a television commentator said Wednesday night.

The government urged patience. "Don't sell your check as soon as you get it," advises a memo to be distributed along with the vouchers. "During the first several months after receiving checks, the market price of the check might waver."

**For investment information, read every Saturday in the IHT.**

**THE REPORT**

Rita Stossnuth, president of the Bundestag, has called on Germans to mark Saturday's anniversary of the unification of their country with an "impressive demonstration against hatred of foreigners, against racism and against the pernicious evil of anti-Semitism."

Mr. Oz said: "The fact that there are thugs,

# Israeli to Confront Germans on Bigotry

**JERUSALEM** — Amos Oz, the Israeli novelist who is to receive a prestigious German peace prize, said Wednesday that he would use his visit to demand that the German peace movement campaign more vigorously against rightist violence.

"I intend to ask them quite bluntly: Where are the tens of thousands of Germans who took to the streets to demonstrate against the Gulf War, against the eviction of Saddam Hussein from Kuwait?" Mr. Oz said on Israeli radio.

"Where are they today when neo-Nazi racism and homophobia is running wild in their streets?" he said.

Mr. Oz, 53, widely regarded as Israel's most distinguished novelist, will be at the Frankfurt Book Fair on Sunday to receive the German publishers' peace prize. The prize is awarded to those who have "contributed in an outstanding manner to the realization of the concept of peace."

Rita Stossnuth, president of the Bundestag, has called on Germans to mark Saturday's anniversary of the unification of their country with an "impressive demonstration against hatred of foreigners, against racism and against the pernicious evil of anti-Semitism."

Mr. Oz said: "The fact that there are thugs, zealots and neo-Nazis unfortunately is not special to Germany. Other countries have them too. What terrifies me is the relative indifference of the government and society."

He said his nomination had stirred dissent in the German radical left, "which doesn't see reality as we see it" about Israel's conflict with the Palestinians.

"In the German peace movement, as in general in the European peace movements, there is a sentimental, very old foundation that embraces the Third World whether it's just or not, that is antagonistic to the United States whether it's just or not, and many times is antagonistic also to us," Mr. Oz said.

"Their perception of peace is emotional and sentimental. My perception of the Palestinians is 'we want, not love,'" he said, adding: "We want to make peace with them because they're the enemy, not because they're the nice ones in the story."

In Lyon on Wednesday, the German president, Richard von Weizsaecker, said his country had no intention of ignoring the wave of racist attacks that has swept many of its cities and towns in the past weeks.

"We must remain vigilant about what is happening now," he said. "The racist and xenophobic attacks now taking place are a warning against the concentration camps to which similar attacks led in the past."

The past year has seen a wave of attacks by neo-Nazi youths against hostels for the thousands of asylum-seekers who have poured into the country from Eastern Europe.

German state interior ministers and top federal officials are to meet in Bonn on Oct. 9 to discuss ways of combating the wave of racism and anti-Semitism in the country.

In Washington, a State Department official has defended the Germans to members of Congress who have criticized recent neo-Nazi flare-ups and what one described as a "rest of the world be damned" attitude about protecting German economic interests.

The official, Thomas Niles, assistant secretary of state for European and Canadian affairs, said that "overwhelmingly, the German people have come out strongly against this unacceptable behavior."

Such incidents as anti-foreigner demonstrations, attacks against refugee camps, burning of a Holocaust memorial and hate crimes by skinheads are "obviously of concern not only to us but to the Germans and friends of the Germans," Mr. Niles testified to the House subcommittee on European and Canadian affairs.

**(AP, Reuters)**

**The Weather**  
Forecast for Friday through Sunday

Region	Today	Tomorrow	Day After
<b>North America</b>	Tropical storm could develop in the Gulf of Mexico late in the week and threaten the Gulf Coast after the weekend. Boston to Washington, D.C., will have daily doses of sunshine Friday through Sunday. Toronto will also have sun, but will be on the cool side.		
<b>Europe</b>	A strong storm from the North Atlantic Ocean will bring high winds and heavy rain to the British Isles Friday into Saturday. Heavy rain will break over France and northern Italy later Saturday into Sunday, renewing flooding problems. Heavy snow will whiten the higher Alps.		
<b>Asia</b>	Sun will warm Korea Friday, showers will herald cool weather Saturday. A storm will partly sunny and warm into the weekend. A shower may dampen Tokyo Friday. Tapan and Hong Kong will be warm and sunny Wednesday through Friday. Thunderstorms are likely in Singapore and Bangkok.		

Region	Today	Tomorrow	Day After
<b>Europe</b>	High: 24, Low: 12, Wind: W, Cloud: Partly cloudy	High: 22, Low: 10, Wind: W, Cloud: Partly cloudy	High: 20, Low: 8, Wind: W, Cloud: Partly cloudy
<b>Asia</b>	High: 28, Low: 18, Wind: E, Cloud: Partly cloudy	High: 26, Low: 16, Wind: E, Cloud: Partly cloudy	High: 24, Low: 14, Wind: E, Cloud: Partly cloudy



CAMPAIGN '92 / BANKROLLING A GROUND SWELL

ELECTION NOTES

Quayle Reminds Voters That He's No Preppy

DETROIT — Vice President Dan Quayle said Wednesday that he would be "at a big disadvantage" in vice presidential debates because he had gone to public schools rather than private schools like those attended by his opponent, Senator Al Gore.

The Confidence Gauge Says Bush Will Lose

NEW YORK — If the past is any guide, the Consumer Confidence survey by the Conference Board, a private research group, means President George Bush will lose the election.

Bush Camp Accused of Shopping in Brazil

BALTIMORE — Union leaders have accused President George Bush's campaign of planning to buy more than \$1 million in campaign stickers and other paraphernalia from a Brazilian company, bypassing more expensive U.S. products and stealing U.S. jobs.

Perot Assails Women Reporters as Negative

WASHINGTON — After an appearance via satellite from Dallas on the "Today" television show this week, Ross Perot took the NBC Dallas bureau chief, Jim Cummins, aside to complain about rough treatment he said he had received from two correspondents, Katie Couric and Lisa Myers.

Quote-Unquote

President George Bush on the issue of restricting handguns in the United States: "I believe the answer is not kind of trying to disarm people from guns, but to go after the criminals. And therein I have a fundamental difference with Governor Clinton."

Bush's Other Battle: Fending Off the Prophecy of Defeat



Governor Clinton at an Ohio State University rally. He assailed President Bush for helping U.S. firms move abroad, cutting U.S. jobs.

By Howard Kurtz  
Washington Post Service

WASHINGTON — After weeks of waiting for the presidential campaign to lighten up, some political commentators are starting to say out loud what many have been whispering privately: that Governor Bill Clinton seems to be headed for a landslide victory over President George Bush.

"Right now, it's a Clinton blow-out," Jack Germond, a Baltimore Sun columnist, said on a television show last weekend.

"Clinton landslide in the making," agreed Morton Kondracke of The New Republic.

With less than five weeks until the election, such predictions might seem premature. No debates have been held, and each campaign has yet to spend the bulk of its television advertising budget.

Still, news accounts and commentary portraying Mr. Clinton as being on the verge of victory could become a self-fulfilling prophecy.

Perot Has Spent Millions, Including Fees to Some 'Volunteers'

By Charles R. Babcock and Michael Isikoff  
Washington Post Service

WASHINGTON — Since he declined to enter the presidential campaign in mid-July, Ross Perot has spent more than \$7 million to sustain his political movement, including hiring temporary workers to help get his name on state ballots and paying consultant fees and salaries to "coordinators" whose advice he says will determine whether he jumps into the race as an independent.

The Perot state coordinators who have been on his payroll since he withdrew in July include Nisbet Kendrick in Georgia, who received \$14,453; Bob Hayden in California, who received \$7,866; Cindy Schultz in Wisconsin, who received \$7,500; Jim Serur in Texas, who received \$4,861; and Joan Vinson in Maryland, who received \$2,890.

Asked by Mr. King on CNN Monday whether his supporters were paid or were volunteers, Mr. Perot said, "Oh, no, all of — virtually all of the state volunteers are volunteers. I'd say, you know, less than 1 percent of the people are on any kind of a compensation."

After he declined to run, Mr. Perot spent hundreds of thousands of dollars to place his name on the ballot in New York.

The paid workers were needed, a Perot volunteer, Hays Kirby, said at the time, because so many people were angry about Perot's reluctance to enter the race in July.

Some of the largest expenditures by the Perot Petition Committee over the past two months include expenses such as nearly \$250,000 in office equipment, \$540,000 to MCI for telephone service and \$718,000 to Perot Systems for computer time.

Mr. Perot said he would announce his decision Thursday, based on the wishes of what he called his corps of millions of volunteer supporters.

Mr. Swindle said in an interview that the Dallas headquarters had selected some of the state coordinators because Mr. Perot's political group, United We Stand, America, was new and faced time constraints in getting him on all the state ballots.

Since last March, Mr. Perot has personally donated more than \$16 million to the effort, nearly 90 percent of the \$18 million the committee has reported as donations through August. And four days after abandoning his presidential bid, he began writing checks, three totaling \$725,000, the campaign reports show.

Mr. Perot has budgeted \$480,000 a month, \$7,500 for each of 64 offices in 50 states, a spokeswoman, Sharon Holman, said. The campaign reports show that at least 8 of the new group's 50 state coordinators received either consultant fees or salaries from the Perot Petition Committee.

Some of the largest expenditures by the Perot Petition Committee over the past two months include expenses such as nearly \$250,000 in office equipment, \$540,000 to MCI for telephone service and \$718,000 to Perot Systems for computer time.

Some former Perot volunteers say the organization is little more than a shell of its former self. When he pulled out, many volunteers stopped being active, and these former workers say the new group has done little to bring them back, even after the Texas hinted he would once again be an active candidate.

U.S. Returns Naval Base to Philippines

The Associated Press

SUBIC BAY NAVAL STATION, Philippines — The U.S. Navy on Wednesday gave up most of what had been its largest base in Asia, and U.S. officials said the last American forces would leave this former colony by the end of November.

During the late 1980s, up to 20,000 U.S. troops, civilian employees and military dependents lived on the base, whose population doubled when carrier groups called at the port.

Many Filipinos, particularly the small but influential urban classes, considered the bases an infringement on national sovereignty, although polls showed a majority supported retaining them.

The turnover marked the end of an era steeped in American naval tradition. Commodore George Dewey captured the Spanish garrison here in 1898 on his way to Manila, where he sank the Spanish fleet and seized the islands during the Spanish-American War.

Now, the garrison's broad, tree-lined streets, crisply mowed lawns and white buildings are virtually deserted.

The navy maintained its largest overseas supply depot at Subic. During the base's long history, hundreds of thousands of American sailors and Marines served at Subic and aboard the warships that called regularly for repairs, resupply and liberty in Olongapo.

Last year the Philippine Senate refused a new 10-year lease for Subic, and gave the Americans until the end of this year to leave.

Several major companies, mostly Taiwanese and Singaporean, have expressed interest in investing here to take advantage of the skilled labor force and natural harbor on the South China Sea.

U.S. Quits Greenland Base  
The U.S. Air Force on Wednesday left the base of Soendre Stromfjord, an autonomous Danish territory in southwest Greenland, officials sources said.

The U.S. Air Force already had decided to abandon Clark Air Base, damaged during the 1991 eruption of Mount Pinatubo. Subic became the last U.S. garrison in a country that had been America's only foreign colony.

President Theodore Roosevelt declared the Subic area a military reservation in 1904. Japanese troops conquered the Philippines in 1942 and established their own base at Subic.

The base and the radars surrounding it lost strategic importance for the United States when a new U.S. radar base was erected in Thule in northwest Greenland.

Away From the Hustings

A satellite observed the largest Antarctic ozone hole ever detected, nearly three times larger than the United States, according to the National Aeronautics and Space Administration. It said that measurements by the Total Ozone Mapping Spectrometer aboard the Nimbus-7 satellite showed that a depleted ozone area of the atmosphere extended for about 8.9 million square miles (about 23 million square kilometers) over the south polar region.

American troops recaptured Subic and nearby Olongapo in 1944. The base was expanded into a major facility after the Philippines gained independence in 1946.

Charitable contributions by corporations and foundations to causes in the United States sagged for the fourth year in a row in 1991, rising only 2 percent to an estimated \$6 billion, the Council for Aid to Education said. The slow growth of charitable giving since 1988 stands in marked contrast with the previous 12 years, when corporate contributions grew at an average annual rate of 14.6 percent.

The U.S. Navy said that a prototype V-22 Osprey tilt-rotor aircraft that crashed in the Potomac River in July had suffered an engine failure and fire when lubricating oil and transmission fluid inexplicably spilled into the engine during flight. Officials and the plane's manufacturer said the accident, which killed seven people, did not involve any flaw unique to the plane's exotic design, which allows it to fly like an airplane but land and take off like a helicopter.

The rise in compensation for executives of nonprofit hospitals in the 1980s was one of the fastest-growing components of the overall rise in medical costs, with the annual earnings of a few executives at the most prestigious institutions approaching or exceeding \$1 million.

A grand jury accused three New Jersey police officers of ambushing a teenage car-theft suspect in Newark and trying to cover up their actions after one of them fired a shot from an illegal pistol that critically wounded the youth.

Two strong earthquakes shook the Aleutian Islands, causing only minor damage, a U.S. Geological Survey spokesman said.

A fire raged in the El Dorado National Forest in California, destroying dozens of homes, forcing hundreds to evacuate the area and charring 11,500 acres (4,700 hectares), officials said.

Doctors treating former Governor George C. Wallace of Alabama appear to have his blood infection under control, but he remains in critical condition with only a one-in-five chance of survival, the hospital said. The former governor, wounded in an assassination attempt 20 years ago while running for president, remained on a respirator.

1992 The World's Rendezvous with Europe. On October 12th, the 31st installment of the IFT's highly acclaimed series of advertising sections on the New Europe will focus on TELECOMMUNICATIONS. Among the topics to be covered are: Country-by-country reports on telecom deregulation and other developments. Telecom research and development. Satellite communications. Financing East European telecom. U.S. telecom firms in Europe.

"Double points from October 25 to December 15." "Christmas is coming early this year." KLM is playing Santa Claus. Because this autumn, KLM's 'World of Difference' loyalty programme offers you double points on all European flights of KLM, KLM Cityhopper and Air UK. For free tickets to some 450 worldwide destinations served by KLM and its partners. Or for one of those special awards like a piano master class in Vienna or a cooking course in Paris. So, if you're not a 'Flying Dutchman' member yet, return the entry coupon today and join up to collect your double points this autumn.

LD BRIEFS  
and Defeat, for  
aid to Southern  
cutting Fischer  
GAME 12  
INDIAN DEFENSE  
el To Go to Talk  
UPDATE





INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

**Still Waiting for Perot**

There was never a question about Ross Perot's appeal to millions of disenchanted Americans, or about his ability to articulate widespread frustration with economic decline and political stalemate. The big question about him was always this: Is he fit to lead? As Mr. Perot flirts shamelessly with a late re-entry into the presidential race, that question burns more brightly than ever. He would best serve the nation by not running at all. He has no chance of winning, and his eleven-hour entry may only confuse an increasingly sharp battle between two candidates who, unlike him, have stayed the course. But if he goes through with the charade of honoring a "summons" from his handpicked supporters, he will have a final chance to display the political courage that he has conspicuously failed to show during his quixotic and self-indulgent journey.

There were questions about his willingness to seek favors from the Washington establishment he professed to despise; and questions about his theories of governance — particularly his devotion to an "electronic town hall" that would bypass the constitutional powers of Congress. Madly, he refused to adopt and defend a set of reasonably clear policy proposals. He was contemptuous of reporters who wanted to know his positions "on everything from mosquitoes to ants." He promised to produce a platform within 60 days, then reneged. He finally produced a detailed economic program — but only after withdrawing from the race. So here is one more question for the next phase of the Perot campaign, assuming there is one. Is he willing to take his ideas to the people? His economic program is detailed in a book called "United We Stand: How We Can Take Back Our Country." It calls for higher taxes for many Americans, new taxes on some beneficiaries of entitlement programs, sharp limits on deductions for mortgage interest and cuts in many federal programs. These are powerful ideas. To many economists, they would reduce the deficit too fast, causing economic harm during a recession. To many pundits they are political suicide. Still, they are worthy of debate. But all Ross Perot has really done is wave the book at talk show audiences and say "Read this," while asking Bill Clinton and George Bush to do the dirty work. That is not leadership. So far, as Lyndon Johnson might have said, Mr. Perot has been "all hat and no cattle."

—THE NEW YORK TIMES

**Test for a Piqued Chief**

No sooner had South Africa's two most formidable leaders agreed to resume talks on a new democratic constitution than their jealous rival for the world's attention threw a tantrum. Chief Mangosuthu Buthelezi, leader of 7 million Zulus, stamped his feet and vowed not to take part in talks, elections or an interim government unless he gets more respect. His performance is not only pathetic, it is dangerous; the peril of inciting an ethnic bloodbath is every bit as palpable as Chief Buthelezi's wounded vanity. He has every right to a hearing. But not a veto of the historic compromise now reached by President F. W. de Klerk and Nelson Mandela's African National Congress. In agreeing to a general amnesty and opening the way to an interim government, the two leaders have ended four months of deadlock. With the whole nation moving from white rule to nonracial democracy, Chief Buthelezi would forfeit whatever reputation he has as a sensible conservative by playing the wrecker. His reputation was already tarnished by disclosures that his Inkatha Freedom Party, based in Natal province, received past covert aid from the South African government. This was in addition to the open

subsidies from Pretoria to the "self-governing" KwaZulu homeland of which Chief Buthelezi is chief minister. Inkatha has been viewed, with reason, as a partner of Mr. de Klerk's ruling National Party, an ally in its campaigns against international sanctions and against ANC radicalism. Thus the main burden for nudging Chief Buthelezi back to the table has to fall on President de Klerk. But Mr. Mandela's side bears some responsibility for the bloody feud between Inkatha and the ANC that has claimed thousands of lives. Just as Mr. de Klerk's white moderates have balked at accepting majority rule, so have ANC militants resisted changing from a liberation movement to a political party. Yielding to these militants, and to their contempt for Inkatha, Mr. Mandela resisted an early meeting with the Zulu chief. That was a mistake. A touch of emollient then might have saved much subsequent sorrow. Chief Buthelezi, presiding in leopard skins before spear-carrying warriors, has made plain that any post-apartheid constitution has to be big enough to include his followers. Now he has to prove himself big enough to rejoin talks for a new South Africa.

—THE NEW YORK TIMES

**Watching Over the Navy**

In 1987, the Naval Investigative Service seriously fouled up an inquiry into alleged misconduct by Marine Corps guards in the U.S. Embassy in Moscow. In the course of that probe, four marines were arrested, but only one was brought to trial and convicted of espionage. The others were subjected to long interrogations and signed confessions, which they later repudiated. Before it was over, the reputation of the U.S. ambassador in Moscow was damaged, a lot of expensive equipment was replaced, and the competence of the NIS was called into question. Far more serious was the 1989 fiasco involving an explosion aboard the battleship Iowa, which killed 47 crewmen. There the NIS conducted a thoroughly inadequate investigation, jumped to extraordinary conclusions on the basis of incompetent interviews and blamed the tragedy on a single sailor who they claimed committed suicide and indirectly killed all the others. This conclusion was so preposterous, so unfounded that it was rejected wholesale, which can have been of only small comfort to the family of the targeted serviceman.

Now the facts have been reassessed on the NIS's latest failure, the conduct of the navy's initial investigation into the Tailhook affair. A report by the inspector general of the Department of Defense, released last Thursday, reveals that investigation and reveals that the problem with the service is right at the top. In addition to the fact that the admiral in charge of the organization appears to have nothing but contempt for women in the navy (he referred to them as go-go dancers, topless dancers and hookers, and suggested that they were asking for the shocking harassment they received at the convention), it is clear that he was more concerned about protecting the navy as an institution, and the high-ranking officers and civilians in the department, than about conducting a thorough and fair inquiry. Although the NIS's direct responsibility is limited to criminal conduct, the report criticizes its failure either to pursue leads or to alert other responsible officials to the growing body of evidence concerning such conduct as mass drunkenness, indecent exposure, sexual harassment and other offenses that did not involve physical assault. Information was not shared with other navy divisions investigating noncriminal mis-

—THE WASHINGTON POST

**Other Comment**

**Brazil Offers a Lesson**

The suspension of President Fernando Collor de Mello is probably the most important political event in Brazil since the military regime ended in 1985. The 441 deputies who voted to impeach the head of state have performed a great service for their country and for democracy in general. Corruption was solemnly denounced, which is not new, but it was punished, which is new and interesting. Mr. Collor had been elected in 1989 to fight his way out. In a region known for its coups d'état and for the liberties taken with constitutional law, this is a happy event. The country continues to suffer from a poorly controlled debt problem, and an enormous number of its people live in poverty. Brazil remains a fragile giant. But the political crisis born from the greed of President Collor and his family did not degenerate. Order was maintained. Brazil has given a lesson to its neighbors, and perhaps to the rest of the world.

—Le Monde (Paris)

**Wish Japan Luck in Preventing an Untimely Slump**

By Robert J. Sammelson

WASHINGTON — It's the yen's turn. Europe has had its exchange rate up-heavals. Now the Japanese yen is rising and almost certainly will continue to rise. This is a momentous event. A cheap yen has played a critical role in Japan's staggering export success. As the yen rises, this extra (and partially unfair) advantage will vanish. Japanese products will become more expensive on world markets. The great glory days of Japanese exports may be over. Korea, Japan's huge trade surpluses have generated worldwide resentment. Both might now abate. But there's a hitch: Japan's economy is already at a standstill. It is suffering from the aftermath of cheap credit and a speculative boom. The stock market is depressed. Banks face huge loan losses. Business investment and profits are down. A sudden jolt to exports could deepen the slump — and worsen the prospects for a global economic recovery.

products and efficient manufacturing are the bedrocks of their success. But a cheap yen magnified these strengths, and without it many smaller companies will not be competitive internationally. Even the giants will find gains harder to make. To see why, consider how skewed exchange rates helped Japan. In theory, exchange rates offset differences in costs between countries. Suppose Japan and the U.S. make both men's suits. America's cost is \$1 per widget. Japan's is 200 yen. An exchange rate of \$1 to 200 yen equalizes costs in global markets. Suppose now that America's cost rises to \$2 per widget. For its widgets to stay competitive, the exchange rate has to go to \$1 to 100 yen. At the old rate, America's widgets cost \$2 and Japan's \$1. This is what happened in the 1980s. U.S. costs rose faster than Japan's, but exchange rates did not compensate. The yen should have risen. In fact it fell between 1978 and 1983. In that period U.S. manufacturing costs (expressed in dollars) rose 48 percent while Japan's costs (in dollars) dropped 10 percent. After 1985 the yen did rise, but not enough to offset cost differences completely. By 1990, America's costs were up 54 percent from 1978; Japan's were up (in dollars) 47 percent.

**The truth is that Japan is not prepared for the yen's rise.**

Even if all American widgets were as good as Japanese widgets — and they weren't — U.S. companies were at a big disadvantage. To gain sales, the Japanese could cut prices. U.S. companies either could not sell or had to squeeze their profits. The main reason for skewed exchange rates was Japan's massive new investments over-

seas. Normally, Japan's large trade surpluses would have caused the yen to rise. Exporters would have sold the dollars earned abroad to buy yen to spend at home. The dollar would have dropped, and the yen would have increased. But this adjustment was neutralized by the demand for dollars to invest abroad. In the 1980s, Japan's long-term investments in foreign stocks, bonds, factories and real estate totaled \$642 billion. This huge outflow has now all but halted. Meanwhile, the big trade surpluses remain. So the tendency is for the yen to rise in value: It takes fewer yen to buy a dollar. In March it was 133 to the dollar. Now it is about 119. Fred Bergsten of the Institute for International Economics thinks it could go as far as 100 to the dollar. Japanese exporters will have to raise prices (because each dollar they earn buys fewer yen to cover costs), accept lower profits or stop exporting.

Even in the mid-1980s, many Japanese business and government leaders worried that a rising yen would hurt exports growth. But the response was cheap credit. The Bank of Japan's discount rate dropped to 2.5 percent. This spawned the speculative boom in office buildings, factories and the stock market. It also encouraged overseas investment. Japanese companies could borrow funds inexpensively in yen and convert to dollars.

Instead Japan should have reformed its archaic land policies. Zoning laws inhibit high-rise construction in many cities; tax laws discourage landholders from selling property. All this aggravates Japan's natural land scarcity. Overhauling these policies would have created a sustainable construction boom and addressed Japan's most pressing social need:

more spacious and affordable housing. But only cosmetic tax changes were made. The opportunity may now have been missed. In a new book ("The Bubble Economy"), Christopher Wood of The Economist notes that Japan faces a dilemma. It should liberalize its land policies, but doing so now could worsen its banking crisis. More land would come onto the market, driving down real estate values and increasing banks' loan losses. Many of the banks' bad loans were made against land at wildly inflated prices.

Public works spending is another possible source of economic stimulus. There are plenty of needs, large and small. Economist Edward Lincoln of the Brookings Institution reports that most subway stations lack escalators. With a rapidly aging population, this is more than an inconvenience. In August the government announced an economic stimulus package of 10.7 trillion yen; about two-thirds is public works spending. The unemployment rate is still about 2 percent, and economists like Mr. Bergsten think that government spending can revive the economy before the high yen hurts exports.

This would be a stroke of good luck. All of Japan's problems were to some extent foreseeable. The fact that so little was done to prepare for the inevitable ought to puncture the myth of Japanese farsightedness. But Americans should take no comfort from that. Japan's economy is the world's second largest. It remains, despite all American complaints, one of America's biggest markets and helps drive other Asian economies. A sickly Japan would make it harder for others to stay healthy.

The Washington Post

**The Shocks of September May Have Done Europe Some Good**

By Jim Hoagland

WASHINGTON — Americans concerned about their country's vulnerability to foreign economic competition can take only modest comfort from the problems suddenly besetting the European Community. The quest for a United States of Europe has traditionally been more about politics — about removing the historic German-French conflict as a cause for war — than about forming a competing trading bloc. That basic point is too frequently obscured in American discussions.

The politics of trade is at the heart of both the great debate now under way in Europe about "Maastricht" and the signing in August of the North American Free Trade Agreement by the United States, Canada and Mexico. The politics of trade is rapidly becoming a driving force in shaping the livelihood and electoral choices of hundreds of millions of people around the globe. In Europe, a consequence of the recent foreign exchange turmoil and

the narrow endorsement of the Maastricht treaty by French voters has been to legitimize opposition within the British cabinet and the ruling coalition in Germany to the treaty as well. The strength of the losing "no" vote in France, the country that has prided itself on pioneering European integration, may turn out to be more damaging to the centralized version of Europe outlined in the treaty than was the winning "no" vote cast by Danish voters in June.

Prime Minister John Major now faces a difficult task in imposing his pro-European sentiments on his cabinet and Parliament. He will play for time and for face-saving revisions or additions to the treaty, which already gives Britain the right to opt out of the controversial schedule for adopting a single Community currency. Why should a good and true Conservative leader like Mr. Major continue to cling to Maastricht in the face of the damage done to the British pound and of mounting hostile pub-

lic opinion? He understands that the turmoil of September does not reflect a resurgence of economic nationalism in Europe, as Thucydides claim. We witness instead the death throes of a certain form of economic nationalism identified with medium-sized European states like France, Britain, Italy and Spain.

That nationalism was expressed through exchange controls, rigid protection of domestic markets and crippling restrictions on multinational business. Those controls are disappearing inside the Community today as a global economy built on greater mobility of information, capital and goods consolidates markets and the means of production.

The British, Italian and other Community currencies were battered in September because EC states have given up the old tools of enforcing economic nationalism but have not yet achieved a federal basis for regulating currency values.

All the national controls that existed before the Community did not prevent devaluations, economic cri-

ses or speculation, and they would be of even less use today. French Foreign Minister Roland Dumas told me in New York a few days ago. "We have always had wars of money. We are now moving to eliminate wars of money. The German-French cooperation on the monetary front shows the way."

Mr. Dumas cited the successful combined effort by the central banks of France and Germany to support the franc's value against the speculators who sank the pound as proof that "French-German unity is very solid — it is much broader than forming a joint military force."

A Disunited States of Europe could yet emerge if the Brussels bureaucracy does not take public opinion more into account, and thus provides a genuine resurgence of economic nationalism in the Community's member states. But the shocks of September may well have shunted the runaway Maastricht Express off that disastrous track and cleared the way for an outcome that Americans can applaud.

The Washington Post

**Europeans Should Stop Criticizing and Thank the Bundesbank**

By Nicolas Krul

GENEVA — The Bundesbank can lay no claim to innocence for the events of the last few months. Its rigid pursuit of money supply targeting fails to take sufficient account of the structural changes in the market environment and of the role of the Deutsche mark in the new German hinterland. Some of the bank's statements were disingenuous, perhaps Machiavellian. The European Monetary System was under siege.

Yet to blame the Bundesbank for both the slowdown in Europe and the convulsions of the EMS would be misleading and counterproductive. The facts are never simple, but they do tell a tale. Germany played no part in creating the quagmire of debt that now retards recovery in North America, Britain, Japan and the Nordic countries. Nor is it responsible for the U.S. deficits or the overambitious exchange rate that Britain unilaterally

decided for sterling's entry in the exchange-rate mechanism in 1990. Indeed, the Bundesbank was an early and open critic of debt delusion — a party that many Germans would have loved to be invited to — and it was quick to doubt the sustainability of a central rate of 2.95 marks that Britain chose for ERM entry.

Similarly, the Bundesbank leaped on the hard choices required to finance German unification, battled for wage restraint in both parts of Germany, and did not cease to nag publicly about Germany's budget deficits.

Again it was the Bundesbank, starting in 1990, that sought realignment of the ERM in order to prevent or at least attenuate the predictable repercussions on Germany and its partners of an unbalanced policy mix. France and Britain resisted — even at the economic meeting in

Bath, England, in early September, shortly before the exchange-rate mechanism was thrust from a state of endemic crisis into a full-pitched battle of impressive force.

Unable to convert Washington or Chancellor Helmut Kohl, and deprived of the exchange rate tool, the Bundesbank had no choice but to keep the faith with its constitutional duty and raise interest rates to the level of discomfit.

This ought to inspire a more charitable view of the Bundesbank's endeavor to set exacting standards within a more flexible approach to European monetary integration. Instead, its policies are used to fuel a debate which assaults the goal of economic and monetary union by rocking the central pillar of the edifice.

The interest rate cut conceded by the Bundesbank in return for an in-

adequate devaluation of the lira is hailed as a promising bow to political pressure, or chastised as an ominous abdication, but rarely praised as an efficient act of central banking. The smallest possible interest rate reduction enabled the Bundesbank to send a clear signal of determination regarding its primary task, ahead of Mr. Kohl's proposals for a bipartisan German "solidarity pact." It also enabled the Bundesbank to prevent the likely terms of Europe's passage to more efficient clearing prices, and thence to a higher level of output, demand and employment.

As such, the decision fits a framework that is both German and European. It is German because even if the Bundesbank is independent of instructions from the federal government, it is obliged to support the latter's general economic policy unless this creates a serious conflict with its primary mission of guarding the currency. It is European because the EMS is not yet a fixed rate system and there was no other way to secure an economic rationale to the political decision to protect the system.

Then there is the matter of "style." The contrast between the German proclivity for preventing disequilibrium and the Anglo-Saxon penchant for curing it once it exists is often presented as the difference between an "authoritarian" and a "liberal" or "consensual" style of policy. This issue is not new, as past controversies surrounding deregulation, monetary reform and capital market organization have shown. But it has taken a new twist with the conflict between German interest rate policy and the growth aspirations of Germany's partners. "Authoritarian" has come to have a strong connotation of power, even abusive power.

But the Bundesbank has come to its preventive policy preference via a pragmatic cost/benefit analysis validated by 40 years of outstanding economic performance and rewarded by its role as Europe's anchor. Its resolve has been fortified as the disproportion between its management resources and the power of the international financial markets grows. In its commitment to preventive policies, the Bundesbank has bred credibility, and it is this credibility that has made it an institution with which markets and governments tangle at their peril.

This debate could yet prove useful for the future of economic and monetary union. The repercussions of the German fiscal dilemma point up the need for fiscal policy coherence beyond the merely protective rules framed in Maastricht. The issue had been emphasized in the Delors report on economic and monetary union, which paved the way for the Maastricht negotiations. But it was passed over in the treaty. The manner in which the latest crisis erupted has sharpened concerns about the ambiguous division of responsibility for exchange-rate policy. It is now clear that concessions extracted by national governments could well be the Achilles' heel of independent European central banking. Finally, it cannot be denied that the intertwined lines of causality which link deregulation, innovation, technology and the entrepreneurial drive of financial intermediaries have brought forth a superabundance of money and resources that dwarf those of the central banks. Not all of the \$900 billion of daily foreign exchange transactions is hot money, but it will take a massive preventive effort to keep serious investors from becoming periodic speculators. If only for that lesson, the Bundesbank deserves thanks.

The writer is an independent writer on international investment institutions. He contributed this comment to the International Herald Tribune.

**If the West Fails to Halt Serbia . . .**

By George Kenney

The writer was the State Department desk officer for Yugoslavia until Aug. 23, when he resigned in protest against U.S. policy. This is the first of two articles.

WASHINGTON — Everything in the Yugoslav conflict follows from Serbia's fundamental goal of creating a larger, ethnically pure state. Only counterbalancing force — Western air power, arms and training for the Bosnians — can halt Serbian aggression. Only a military standoff will lead to a lasting peace, by reversing

giving Belgrade access to its only naval base on the Adriatic. A Greater Serbia demands that "ethnic cleansing" continue in these areas until all non-Serbs are killed or driven out. Third, Serbia wants the destruction of Sarajevo, symbol of multiethnic Bosnian statehood. About 400,000 non-Serb Bosnians remain in northern Bosnia. Most are in a pocket above Bihać in the northwest, surrounded by Serbian forces. Perhaps an additional 100,000 remain along the border with Montenegro. A "cleansing" of these areas leaves no one to object to local puppet governments that work to "legitimize" a Greater Serbia. Although Serbian forces have not fully consolidated control over these areas, they have advantages in mobility and logistics. Given current conditions, they will achieve their aims over time.

**Hundreds of thousands may die, and refugees will destabilize Europe.**

Nevertheless, in the north and southeast, near the coast, some intense fighting will continue. To the north, Croatia will try to break Belgrade's supply lines and cut off parts of Serbian-occupied Croatia. On the coast, Croatian forces do not intend to cede control of the hills above Dubrovnik. Serbia is equally set on denying Croatia control of this region, which dominates the entrance of the bay leading to Serbia's only naval base. A further 100,000 or so Bosnians — Muslims and Croats as well as "disloyal" Serbs — are interned in Serbian concentration camps. A typical camp consists of a cattle shed or other structure housing about a thousand men on straw pallets. Many die of sickness, hunger and beatings; guards dispose of others in "recreational killings."

This winter, most internees will die of exposure. The International Red Cross, the United Nations and the West will continue to demand access to all camps and supervision of camp conditions — demands that the Serbs will continue largely to ignore. Prisoners will be shifted from camp to camp in a shell game while Western negotiators visit detainees in model camps. Western governments will remain loath to force access.

The winter war may take up to 350,000 Bosnian lives. Freezing temperatures will greatly help the Serbian sieges around Sarajevo and other towns. Snow will close roads, some only tracks across mountain sides. Cutsback in humanitarian aid and food will hurt; getting fuel to the large towns will be nearly impossible. Scores of besieged hamlets, whose names we do not know, will be wiped off the map.

Belatedly, the West will acknowledge a defeat. Cynically citing humanitarian concerns, Western diplomats will agree to terms with Serbian forces for a massive exodus of Bosnians from concentration camps and besieged areas to areas out of Bosnia. Croatia will burn further refugees away. It has nowhere to put them, nor can it afford them. Having little choice, hundreds of thousands will pour across the borders of Austria, Germany and Italy, despite those countries' attempts to refuse asylum. Austria already views Yugoslav refugees as a threat to its national security. Germany and Italy will soon share that view.

In 1991, the Italian government was damaged by its inability to handle Albanian refugees; this new influx will add significantly to Italian political instability. Germany will face increased neo-Nazi violence. The New York Times

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**IN OUR PAGES: 100, 75 AND 50 YEARS AGO**

**1892: An Attack on Jews**

VIENNA — A serious conflict has occurred in the Commune of Kercke in Hungary. The house of a Jew had been on fire, and the Ruthenian neighbors looked on with their hands and land acropoles have launched dozens of explosives upon objectives in Flanders, and along the whole western front by night and day the activity has been increasing.

**1917: Busy Belligerents**

PARIS — The aerial activity of all the belligerents during the past week has been the most intense of the war, acro-

planes from Asia Minor to Great Britain carrying death and destruction over an ever-widening zone. The British bombed Beirut, the Italians Pola, the Austrians Ferrara. Squadrons of German acropoles made four raids on London. Every night British naval and land acropoles have launched dozens of explosives upon objectives in Flanders, and along the whole western front by night and day the activity has been increasing.

**1942: Hitler Is Ready**

LONDON — [From our New York edition:] Führer Adolf Hitler declared today [Sept. 30] that Germany will cling to her war gains for the coming year, promised to take Stalin-grad, and said he and his high command are constantly preparing for an Allied second front wherever it may strike. In a climb-down from his boast on a like occasion a year ago that the Russian power was crushed never to rise again, Hitler declared, "We shall emerge victorious."

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Tel.: (1) 46.37.93.00. Telex: Caratation, 612832; Editorial, 612718; Production, 636964.  
Directeur de la Publication: Richard D. Silverman  
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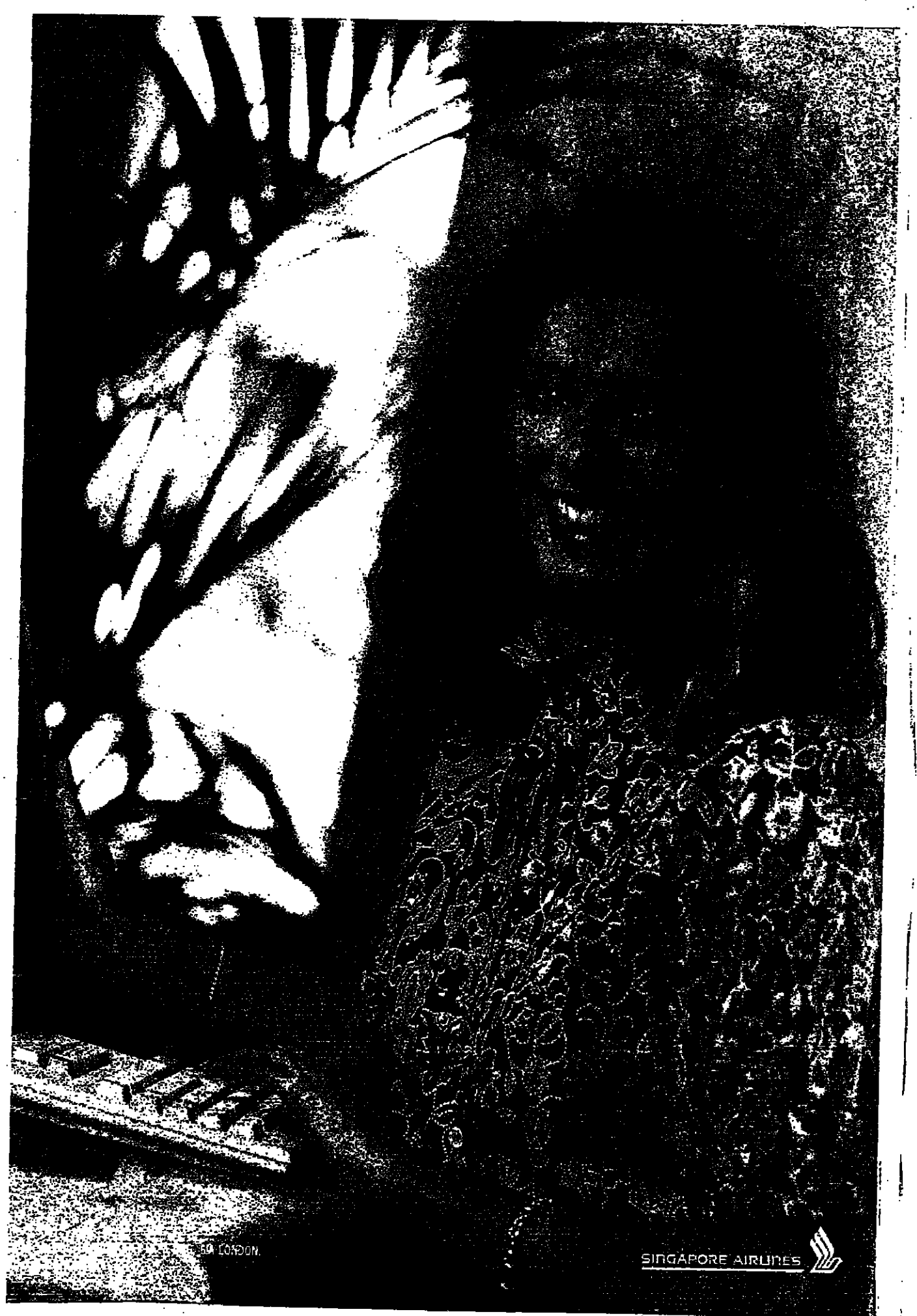
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## Worsening Civil War in Tajikistan Ensnarers Russian Troops

By Steven Erlanger

MOSCOW — The civil war is worsening in Tajikistan, causing increased alarm in Moscow over 10,000 Russian troops who are caught in the middle.

Russia sent 800 reinforcements this week to Dushanbe, capital of the Central Asian republic, hoping to end continued attacks on barracks and arms depots by combatants looking for weapons. There has also been new nervousness in neighboring Uzbekistan, where President Islam A. Karimov has sealed the border against refugees from the fighting and is increasing

controls on his political opposition.

[Russian troops seized control of the airport in Dushanbe, and shooting was reported around the city, Reuters reported Wednesday, quoting an army spokesman.

[Akbarsho Iskandarov, the acting president of the republic, said in two separate messages, to leaders of the Commonwealth of Independent States and the United Nations, that he was powerless to stop the fighting and was asking for help, the news agency Interfax said.

["The conflict in the south of Tajikistan is growing," he said. "It can have unpredictable conse-

quences not only for Tajikistan but also for the Commonwealth states and, possibly, for the whole world community."

After months of unrest, the Tajik president, Rakhman Nabiyev, was forced to resign Sept. 7 by opposition militia, who had cornered him at the Dushanbe airport. But his supporters have continued to fight for him in the neighboring towns of Kulyab and Kurgan-Tyube, 80 kilometers (50 miles) south of Dushanbe.

In the last few days, local officials say, several hundred people have been killed in the region, and armed groups seized weapons from

Russian troops and took 35 of them hostage, though all were eventually released. Over the weekend, tanks and artillery were used in Kurgan-Tyube, and half the town was reported to be under the control of pro-Nabiyev forces from Kulyab.

Mr. Iskandarov, who has been unable even to convene a new session of the parliament, sent a protest to Moscow about the use of tanks. But Russian officials said they had been seized from Russian depots. Mr. Iskandarov's provisional government, which took over after Mr. Nabiyev was forced to resign, controls only 20 percent of the state's territory.

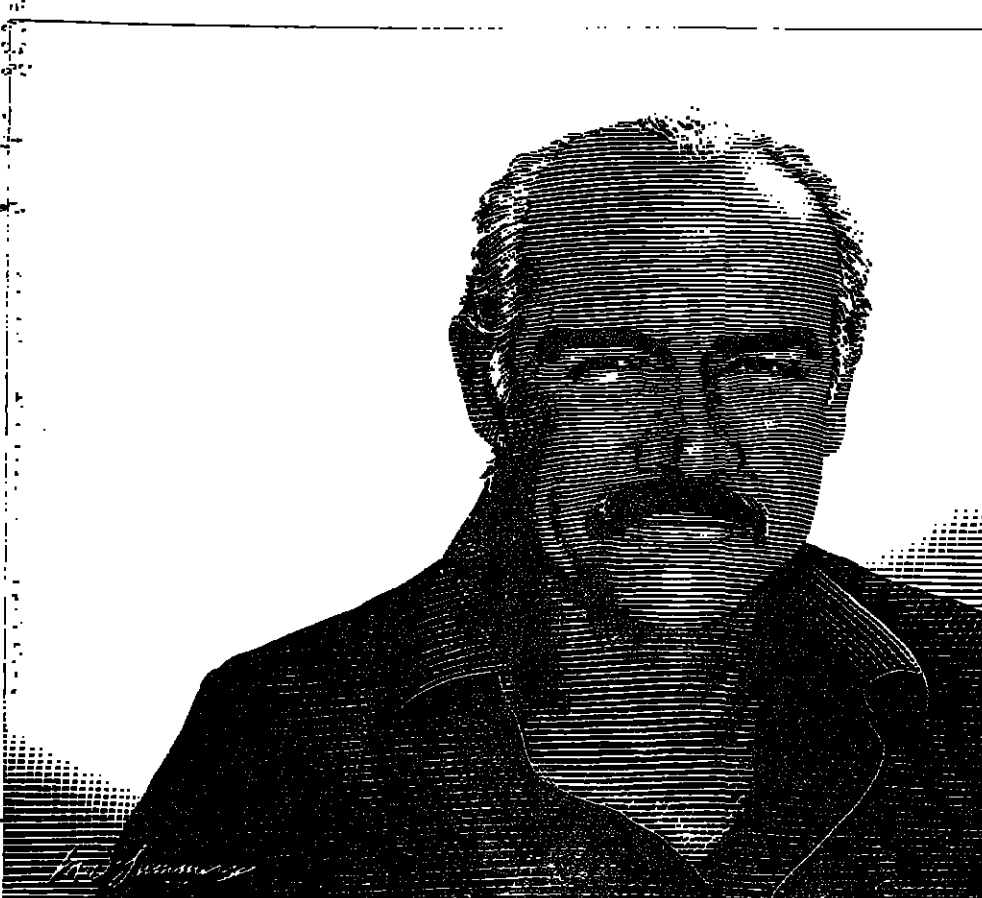
There has also been an influx of several hundred Tajik troops from Afghanistan, to fight on the anti-Nabiyev side, and a new flight of ethnic Russians who had been living in Tajikistan.

Fears of the unrest spreading to neighboring Uzbekistan — 24 percent of Tajikistan's population is ethnically Uzbek — has prompted Mr. Karimov, who fears Mr. Nabiyev's fate, to crack down on his opposition and seal the border to refugees from Tajikistan.

Like Mr. Karimov, Mr. Nabiyev was a creature of the old Soviet government and ran Tajikistan for

many years under Leonid I. Brezhnev. He was moved aside by President Mikhail S. Gorbachev but returned to power as Mr. Gorbachev's influence slipped. He was elected president in November in a vote reportedly touched by fraud.

But Tajiks from the central plains and eastern mountains, who had been left out of Mr. Nabiyev's clan-dominated largesse, joined with urban democrats and religious leaders in months of street demonstrations and clashes that led to his forced resignation. He is now thought to be in his native region of Leninabad, in the northwest.



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### CAPITAL: In Russia, Entrepreneurial Zeal Mixes With a Pinch of Piracy

(Continued from page 1)

makes it practically impossible to count the new rich. A consumer survey published in the business newspaper Kommersant estimated that 3 million people — roughly 2 percent of the population — live like middle-class Americans or Europeans. A disproportionate number of these people are concentrated in the Westernized cities of Moscow and St. Petersburg.

In St. Petersburg, the former czarist capital, the contrast between the rich and the poor is particularly stark. The first-class hotels, hard-currency restaurants and luxury stores along Nevsky Prospekt provide a glittering facade for

**'If this went on in America, America would have collapsed a long time ago.'**

a city of crumbling palaces, potholed streets and obsolete defense factories.

One of the favored hangouts for the new rich in St. Petersburg is the Hotel Astoria, newly restored to its former splendor. A group of local businessmen recently relaxed around the swimming pool in the hotel sauna, sipping German beer at \$5 apiece and talking about how they made their first million. None was willing to be identified by his complete name.

"There are at least 10,000 millionaires in this city, and you can count the number of completely honest ones on the fingers of one hand," said Igor, a former foreign trade official in his forties. "The easiest way to make money here is to acquire a license for the export of raw materials. That means handing out a lot of money in bribes to bureaucrats."

His friend Sergei, who described himself as a "middleman," said: "Everything we do is aimed at a quick profit. We buy, we sell, and we get out. Only a fool would invest his money in a long-term business in Russia. There is no security here, no guarantee that a different regime will not come to power and take it all away from you."

The disintegration of the communist system of centralized distribution, along with the halting nature of the transition to capitalism, created vast opportunities for middlemen like Sergei. Prices of raw materials such as oil, wood and scrap metal are still kept artificially low. A businessman who purchases these goods at

Russian prices and sells them at world prices can rapidly make a fortune.

The sums of money involved in the illegal exportation of raw materials are staggering. Russian law enforcement officials recently calculated that government bureaucrats receive more than \$100 million a year in bribes for issuing export licenses for oil and oil products. The government lost an estimated \$1 billion in the first half of this year because of illegal oil exports.

Most of these illegally garnered profits are kept in foreign bank accounts, since it would be too risky to invest the money in Russia. Earlier this month, Reuters reported from Washington that Western monetary sources say Russian companies have stashed more than \$5 billion in foreign bank accounts.

"There are many fake businesses and joint ventures here," said Alexander Rudenko, a leading St. Petersburg businessman who owns a chain of restaurants and cafes. "They have a smart storefront somewhere, but it is just a cover for the real business of buying and selling raw materials. If this went on in America, America would have collapsed a long time ago."

Like virtually any businessman willing to speak on the record, Mr. Rudenko insisted that he had made his money perfectly legally. But he conceded that he is not above manipulating a very imperfect market from time to time. A few days ago, he said, he made a cool \$20,000 buying and selling rubles for hard currency.

"The secret of a successful business is to do something first and negotiate for permission later," said Vladislav Gerasimov, a former Soviet Navy officer who bought the first private store in St. Petersburg at an auction.

Once a Russian businessman has made his pile, he is faced with the challenging task of hanging onto it. The gap between rich and poor has been accompanied by a spiraling crime rate. The new rich have become the target of a new mafia.

Shortly after Mr. Kozyrsky opened his first Western-style grocery store, someone threw two hand grenades through the window. One of Mr. Gerasimov's stores has been set on fire.

In order to survive, let alone prosper, a businessman must reach an understanding with the local thugs. Some pay for "protection." Others set up their own security services to guard their premises day and night. A former employee of the KGB secret police can earn five times the average wage providing security services to businessmen.

"To ensure my defense, I have created a state within a state," said Mr. Rudenko, a rough-bearded man in a leather jacket who worked as a stevedore before launching himself into private business. "I pay my friends to protect me and supply them with weapons. If I didn't do this, we wouldn't be sitting here now. It would all be burned down."

Mr. Rudenko's private army consists of 300 muscular young men, many of them former KGB employees. They are under instructions to react "very harshly" to anyone who gets in their way.

"What we are experiencing now is the primary accumulation of capital," said Mikhail Gavrilin, a sociologist who has studied the emerging entrepreneurial class. "In this phase, everything is considered acceptable. It is a bit like the early 20th century in America. The Rockefellers were probably not too fastidious about the way they acquired their money either."

But the growing disparity of wealth also has led to a dangerous rise in social tension. Many members of the old middle class — doctors, teachers, engineers — now find themselves living below the poverty line. The newspapers are full of heart-wrenching appeals for help from respectable citizens who now find themselves in the position of paupers at the feast.

"The other day, they buried a mafia figure in our block," wrote Olga, a doctor from Ekaterinburg, to the mass-circulation daily Komsomolskaya Pravda. "You should have witnessed the

**'Everything we do is aimed at a quick profit. We buy, we sell, and we get out.'**

scene! More than 70 foreign cars, dreadful thick-necked individuals and their slender-legged girlfriends dressed in black, who held roses and gorged themselves on bananas and chocolates — while our children just watched."

"Meanwhile, our salaries are constantly late," she wrote, "or not paid at all. We are forced to deny our children basic necessities. All they get are potatoes. And next to our house, they have opened a striptease bar with a membership fee of 40,000 rubles."

That is a year's salary for the average Russian worker.

NEXT: The new poor

### Judge Rejects Charge Against Weinberger

Washington Post Service

WASHINGTON — A federal judge dismissed a key charge against former Defense Secretary Caspar W. Weinberger and threatened to remove the chief prosecutor from the Iran-contra perjury and obstruction case.

The five-count indictment returned in June against Mr. Weinberger was based on the discovery by prosecutors of daily diary and meeting notes that Mr. Weinberger kept and failed to disclose during earlier investigations. Using the notes and other evidence, prosecutors drafted the indictment as though it were a conspiracy case against senior Reagan administration officials.

Mr. Weinberger's lawyers had protested that this was prejudicial. On Tuesday in U.S. District Court here, Judge Thomas F. Hogan appeared to agree, saying the indictment insinuates that many high-ranking individuals participated in illegal activities and that the defendant was involved. He struck down the first count against Mr. Weinberger, which accused him of obstructing Congress by withholding his notes from congressional investigators in 1987.

Judge Hogan refused to dismiss the other four counts against Mr. Weinberger, but warned that Lawrence E. Walsh, the independent counsel, may either have to get a new lead prosecutor or abandon the only other charge that is based on Mr. Weinberger's alleged lies about his notes.

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in Troops

Judge Rejected Charge Against Weinberger



Mr. Roh, left, embracing Mr. Yang on Wednesday in Beijing as the South Korean prepared to depart.

# South Koreans and Chinese Hail End of Hostilities

Compiled by Our Staff From Dispatches  
BEIJING — The presidents of China and South Korea toasted the end of their Cold War hostility with champagne on Wednesday after the two countries signed wide-ranging economic agreements.

On the final day of his historic visit to China, President Roh Tae Woo attended the signing ceremony with his Chinese counterpart, President Yang Shangkun, in Beijing's Diaoyutai state guest house. The agreements covered trade and investment and scientific and technological cooperation.

After chatting amiably in the garden of the picturesque guest house, the two embraced before Mr. Roh left for Shanghai for a stopover on his way home.

A joint communiqué described their talks during Mr. Roh's four-day visit as friendly, and the official Chinese news agency Xinhua said the trip had been fruitful and successful.

Referring to the establishment of diplomatic relations last month that ended four decades of Cold War confrontation, the communiqué said: "It is of great significance to peace and development in Asia and the world as a whole."

In a separate statement, Mr. Roh said that although his visit was brief, "it has served as a catalyst for overcoming the legacy of nearly half a century of separation."

"The Republic of Korea and China have now become partners in shaping a Pacific age in the 21st century," he added.

Diplomatic ties and the new economic accords are set to unleash a fresh tide of Korean investment in the booming Chinese economy. With legal protection, South Korea's huge industrial conglomerates are planning large projects.

China is already South Korea's third-largest trading partner, and trade this year is expected to surge to about \$10 billion from \$5.8 billion in 1991.

Mr. Roh's visit was the first by a South Korean president to China and was the crowning achievement of his diplomacy aimed at isolating rival North Korea by establishing ties with Pyongyang's friends in what remains of the Communist world.

China is North Korea's last important ally, and Seoul is counting on Beijing's support to steer Pyongyang toward renunciation and away from any ambitions to acquire nuclear weapons.

On Monday, Mr. Yang warned Seoul against putting international pressure on Pyongyang, and Mr. Roh, apparently responding to Beijing's sensitivities, said Tuesday that the two sides had agreed that persuasion was best.

"By persuading North Korea to renounce the development of nuclear devices," Mr. Roh said, "we can achieve our objectives, and I believe the Chinese side concurs with our position."

China evidently fears that if Pyongyang is backed into a corner it could retreat from its cautious opening to the world and become more dangerous.

The two sides agreed that it was important to help the North Korean economy. (Reuters, UPI)

## A North Korean Shrug

In an interview at the United Nations with Don Oberdorfer of The Washington Post, Foreign Minister Kim Yong Nam of North Korea said his government was not concerned about the establishment of diplomatic relations between South Korea and China.

This is "nothing special," Mr. Kim said, adding that it did not matter to North Korea.

He maintained that China and North Korea continued to exchange views and visits and "keep each other informed."

The senior North Korean diplomat expressed no interest in the proposals put forth by American officials, including James A. Baker 3d when he was the U.S. secretary of state, that the United States, Russia, China and Japan take advantage of the end of the Cold War to cooperate in advancing stability and reunification on the Korean Peninsula.

"The Korean issue strictly belongs to Koreans themselves," Mr. Kim said. "The only role which other powers could play is not to interfere in Korean affairs and not create any obstacles for both North and South Koreans to discuss and settle their issues themselves."

If there is to be any external involvement, he added, it should encompass only the United States, which has been "historically directly involved" in Korean affairs.

## Power Is Back In Malaysia And Singapore

Compiled by Our Staff From Dispatches  
SINGAPORE — Electricity supplies were returning to normal in Singapore and parts of Malaysia Wednesday in the wake of a huge power failure.

In Malaysia, about half of the usual electric power had been restored to eight Malaysian states by Wednesday evening. The rest was expected to be restored Thursday, said a spokesman for Energy Malaysia Ltd. The outage Tuesday hit eight of the peninsula's 11 states.

Singapore lost a third of its 2,700 megawatt electric power load. Deputy Prime Minister Lee Hsien Loong said that the accident, caused by a short circuit and faulty insulation, resulted in equipment damage of about 12 to 15 million Singapore dollars (\$7.5-\$9.3 million). (Reuters, AP)

## Nepal Official Blames Pilot Error in Jet Crash

Agence France-Press  
KATMANDU, Nepal — A Nepalese government minister Wednesday blamed pilot error for this week's crash of a Pakistan International Airlines Airbus, saying the plane was flying too low as it approached Katmandu airport through the mountains.

"The pilots made a big blunder," said Home Minister Sher Bahadur Dupa of Nepal. But he later added, "Let an official investigation decide who is to be blamed."

He rejected allegations that Monday's crash, the second of an Airbus here since July 31, was due to lack of modern equipment at Tribhuvan International Airport.

While Mr. Dupa was blaming the pilots for the crash, the airline, in Islamabad, Pakistan, was denying Pakistani press reports that the radar system aboard the Airbus A-300 had been defective.

Sources quoted by the Pakistani press said the alleged defects, which involved the radar antenna stabilization instrument, were not repaired correctly by airline technicians.

The airline's public relations chief, Khalid Butt, said "everything was perfect" aboard flight PK268, which crashed just 16 kilometers (10 miles) south of Katmandu, killing all 167 people aboard.

At the crash site Wednesday, salvage workers found a loaded pistol in the wreckage of the plane, but ruled out initial suspicions that it could have belonged to a hijacker.

The deputy manager of the Tribhuvan airport, Narendra Ghimre, said the weapon possibly belonged to a Pakistani anti-hijacking commando team traveling unlisted in the flight.

"FIA informs us in advance of the presence of three or four armed commandos on their flights," said Mr. Ghimre, adding that they never disembark from the planes in Katmandu.

## EUROPEAN TOPICS

### Belgium Closes Its Last Coal Mine

Belgium closed its last coal mine Wednesday, a victim of high mining costs and a switch in the country's energy supplies. The coal mine was in the small town of Zolder, in the northeast.

The only coal recovered in Belgium now will be from slag heaps. More than 60 percent of electricity in Belgium is now generated by nuclear energy.

"We have to close the mine, there is no other choice," Peter Kluf, the head of mining company Kempena Steenkoolmijnen, told the newspaper La Libre Belgique.

The International Energy Agency estimates that in 1990, the government was paying a \$100 subsidy on each ton of coal produced in Belgium.

A century ago there were more than 300 coal mines in Belgium and in the 1950s the mines still employed about 120,000 workers. The figure had dropped to about 2,200 this year. There were riots against the closure of Belgium's Zwartberg mine in 1956, and two miners died. This time about 1,400 miners held a peaceful demonstration Sunday in Brussels.

### Irish Referendum On Divorce Ban

Ireland will hold a referendum on lifting the constitutional ban

on divorce, Padraig Flynn, the Irish justice minister, announced this week in a White Paper on Marital Breakdown.

Mr. Flynn said new legislation would address property rights and other family law issues before the vote on divorce. Concerns about a lack of financial arrangements for women after divorce were considered responsible in part for the overwhelming rejection of divorce in a 1986 referendum.

The Divorce Action Group welcomed the document, which outlined potential grounds for divorce, including absence of marital relations, separation for a minimum of five years, desertion or unreasonable behavior. Pro-divorce campaigners estimate that the ban affects 100,000 couples trapped in broken marriages.

No date has been set for the referendum. The Irish will first have to vote in another divisive referendum about the constitutional ban on abortion. That vote, expected before the end of the year, was promised in April by Prime Minister Albert Reynolds following a case involving a 14-year-old girl who said she was raped and who was initially forbidden from seeking an abortion in Britain.

Democracy has brought Russia 120 political groups instead of just one — the Communists — in the past five years, according to a Washington research organization. "The Dictionary of Political Parties and Organizations in Russia" includes groups that are democratic, Marxist, socialist, Bolshevik, feminist, environmentalist, anarchist, nationalist, monarchist, Christian and separatist. The book, which gives details about the history and membership of each party, was issued this week by the Center for Strategic and International Studies.

Britain's new chief justice said this week that he wanted to improve the stuffy image of the judiciary by ditching the traditional white wigs. The wigs, worn by judges and lawyers, project "an unfortunate and wrong image," Lord Taylor of Gossforth told reporters at his first news conference since becoming Lord Chief Justice seven months ago. He described the wigs as having "an 18th-century flavor which a lot of people think shows that we are opposed to change."

Sytske Looijep

# 210 Slain in Kurdish-Turkish Battle Near Border

Compiled by Our Staff From Dispatches  
ANKARA — More than 210 people were killed in a battle between Kurdish separatists and Turkish troops near the Iraqi-Turkish border, the government announced Wednesday. It was the most violent engagement since Kurds launched a guerrilla campaign for independence in 1984.

Prime Minister Suleyman Demirel said Wednesday that 29 soldiers and 174 fighters of the separatist Kurdistan Workers Party had died in the 12-hour battle, which took place Tuesday around Semdinli in Hakkari Province. About 500 guerrillas took part.

Five civilians and three village guards paid by the government had also died in the fighting, he added.

Semdinli is located at the tip of a triangle where the borders of Iran, Iraq and Turkey converge. The Marxist-Leninist rebels are seeking to create an independent Kurdish state carved out of Turkey, Iran, Iraq and Syria.

Two other military posts in Semdinli were attacked by the guerrillas in the last month, leaving 83 guerrillas and 31 soldiers dead.

A military spokesman in Ankara said a big security sweep was in progress but denied reports that

aircraft or troops were attacking guerrilla hideouts in mountains inside Iraq.

Mr. Demirel was speaking to members of his party after troops found more bodies in the area where the guerrillas attacked border posts at Derecik and Samanli. He was quoted by the Anatolian news agency.

He defended the conduct of the campaign against the guerrillas and again rejected the Kurdish demand for a separate state. Turkey has about 10 million Kurds, half of them in the southeast.

"These soldiers are dying to protect Turkey's borders, its integrity and its people," Mr. Demirel said. "The state is determined not to give up an inch of its land. Turkey is not hurting its own people, but trying to eradicate a source of sedition."

The prime minister said that there was no place for talks with the guerrillas and ruled out any devolution of power from Ankara, even if this fell well short of independence.

"We can't think of it," he said. "This would be a disaster for Turkey. In the first place we have to defeat the terrorists."

"We have to defeat them, we can defeat them and we will defeat them," he declared.

He said Kurdish guerrillas had been given or had seized modern weapons from Iraqi Army depots in the aftermath of the Gulf War when Iraqi Kurds won control of much of the north. While Demirel seeks to keep the Kurdish separatist movement under control in his country, he supports U.S.-led protection of the Kurds in northern Iraq.

About 5,000 people have been killed in Turkey since the the guerrillas began their war in 1984. (Reuters, AP)

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About 5,000 people have been killed in Turkey since the the guerrillas began their war in 1984. (Reuters, AP)

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# Brazilian Senate Starts Action To Suspend Collor From Office

Compiled by Our Staff From Dispatches

BRASILIA — Congress began on Wednesday the formal process of suspending President Fernando Collor de Mello from office after the lower house voted overwhelmingly to impeach him.

About 100,000 people celebrated in the early morning after the Chamber of Deputies impeached Mr. Collor, by a vote of 441 to 38, on charges that he accepted illicit contributions as president.

It was the first time in Latin American history that a head of state faced removal by legislative vote on charges of corruption. The action was taken against Brazil's first directly elected president since the military seized power 23 years ago. It was considered here to be a major boost to the country's young democracy.

Mr. Collor, 43, will be tried by the Senate on charges that he received the equivalent of \$6.5 million in "indue benefits" from a slush fund operated by his former campaign treasurer.

The Senate on Wednesday started the procedure to install Vice President Itamar Franco, 61, in Mr. Collor's place, pending the outcome of the trial. A special committee made up of aides to the president, Mr. Franco and leaders of Congress, will oversee the transfer of power.

Once the charges against him are read and the trial before the Senate officially begins, Mr. Collor will be suspended from office for up to 180 days, during which time he will be replaced by the vice president.

Most observers predict that Mr. Collor will never return to the presidency, and that Mr. Franco will serve the remaining 27 months of Mr. Collor's five-year term. Current polls indicate that 71 of the 81 senators would vote to convict Mr. Collor of the corruption charges if the vote were taken now.

Vice President Franco brings a reputation for probity to a government wounded by corruption. If he were elected to the office, he might move Brazil to the left, breaking Mr. Collor's drive to reduce the size of the state and to open the country to foreign trade.

But as interim executive, Mr. Franco faces a consensus for the policies of Mr. Collor among the diverse political parties that voted for his impeachment. Mr. Franco will be called upon to act as a conciliator among these forces. Four decades in the give and take of politics have prepared Mr. Franco for the role, but his temperamental character may make playing it difficult.

Meanwhile, newspapers in Brazil were hailing the impeachment.

"Collor Out" read the banner headline in the newspaper O Estado de São Paulo. The half-page headline in the Jornal do Brasil of Rio de Janeiro said simply: "Yes."

The scandal has paralyzed the Brazil's economy and brought on weeks of huge demonstrations calling for Mr. Collor's ouster. Mr. Collor's removal gives this nation of 150 million people — Latin America's largest — the opportunity to restart its economy, which is burdened by the highest foreign debt in the Third World.

Justice Minister Celso Borja said Mr. Collor received the news of the vote "with great dignity" and would abide by the Chamber of Deputies' decision.

"It's all finished," said Representative José Lourenco, one of Mr. Collor's staunchest supporters, after Tuesday's vote. "The game has ended."

(AP, AFP, WP, LAT)

# DEBATE: Bitter Haggling Over 2 Camps' Proposals

(Continued from page 1)

atically after the campaign's dynamic as the president languishes in opinion polls. Some of those surveys indicate that most Americans blame Mr. Bush for debate cancellations.

Televised debates are seen as pivotal in presidential elections. The conventional wisdom holds that an incumbent can lose ground by giving a "presidential" platform to a challenger. This year, however, the incumbent is behind in the polls.

The debate commission had recommended three presidential debates and one vice presidential debate, all using a single moderator. Mr. Clinton accepted but Mr. Bush

refused, asking instead that Mr. Clinton negotiate terms directly with the Bush campaign and saying that a panel of journalists was better than a single moderator. The impasse resulted in the cancellation of two debates.

For days, the Clinton campaign sharply accused the president of "ducking" and "stonewalling the American people." In the past 10 days, Clinton volunteers in yellow chicken suits have routinely attended Bush rallies and heckled the president as "Chicken George."

On Wednesday, Charles Black, a Bush strategist, taunted the Clinton camp, saying: "The guy in the chicken suit better show up at Governor Clinton's rally today because we have a very serious proposal. We've compromised." He also stressed flexibility about dates.

Mr. Bush and his aides now say they want the debates split equally between single-moderator encounters and those with a panel of journalists. But they still do not want to deal with the debate commission.

Mr. Clinton and his advisers say they are ready to debate on the commission's dates and that they are prepared to discuss the format with the Bush campaign under the auspices of the commission. Mr. Clinton said he wanted to discuss further debates after agreement was reached on the two already scheduled.

# Inquiry Lays Blame in Ciskei Deaths

Compiled by Our Staff From Dispatches

JOHANNESBURG — An independent South African inquiry into the Ciskei massacre has condemned Ciskei troops for "indiscriminate and prolonged shooting" at African National Congress demonstrators that it said killed 29 people.

The inquiry, headed by Judge Richard Goldstone, also strongly criticized ANC leaders "who had exposed marchers to the dangers of death and injury," the South African Press Association reported Wednesday.

Ciskei troops opened fire Sept. 7 on about 60,000 ANC supporters marching on the nominally independent homeland with the declared aim of toppling its ruler, Brigadier Oupa Gqozo.

The Goldstone Commission said that Ciskei troops "deliberately aimed to cause as many deaths and injuries as possible."

"Indiscriminate and prolonged shooting at innocent demonstrators is morally and legally indefensible and is deserving of the strongest censure," Judge Goldstone said in his report.

Judge Goldstone, appointed last year to head a commission to look into violence in South Africa, was asked by President F.W. de Klerk to conduct an independent investigation of the Ciskei killings.

The report said the action by a Communist Party leader, Ronnie Kasrils, in leading a group of demonstrators through a gap in a fence "was the immediate cause of what followed."

It said his action was "regrettable and irresponsible" and that the ANC should publicly censure Mr. Kasrils and others who had exposed the marchers to the danger of death or injury.

The report said march leaders could not have anticipated the "almost unbelievable response" of the Ciskei soldiers, but noted that a violent response had been anticipated days ahead.

The report, handed to Mr. de Klerk on Tuesday, said the Ciskei attorney general should investigate charges against "any person responsible for death or injury."

The report also made a series of recommendations, including one that reasonable and negotiated mass demonstrations should be tolerated anywhere in South Africa, including the nominally self-governing black homelands.

It said the officers commanding the Ciskei Defense Force should immediately conduct a full inquiry into the training and discipline of their troops.

The report said mass public demonstrations should be used only as a peaceful means to popularize political policies and propagate political change.

In a sharp warning to repressive homeland leaders like Ciskei's Brigadier Gqozo, the commission said the level of political tolerance in South Africa "will have to rise radically and quickly" if democratic reform is to succeed.

The governing National Party said it accepted the findings and wholeheartedly backed the report's recommendations. (Reuters, AFP)

# CLAN: Food for the Starving Lost to Warring Bands

(Continued from page 1)

er this year and closed the port. The single biggest obstacle to ending the starvation that is said to be killing 1,000 a day in Somalia is that the food delivered to the major depots cannot be delivered to regions where it is needed without being looted by warring bands.

It is not clear whether General Farrah Aidid and Mr. Mahdi Mohammed could end the fighting and looting, but the fact that they are at war with each other has meant that they have little incentive to even try.

Both leaders profess concern over the starvation but so far have done little to curb the looting by their fighters, saying that the looting is not as great as food donors contend and that they do not have full control over the forces loyal to them.

"Some looting has happened, but not very much," General Farrah Aidid asserted. "Mostly it happens because hungry people need food. Of course if our security forces are hungry, they may be tempted."

He expressed awareness that the international aid community was blaming the political leadership in Somalia for not doing what it could to end the starvation. "I hope this looting will not compromise the sympathy," he said.

[Relief agencies said Wednesday that they were evacuating staff members from the southern Somali port of Kismayu, 450 kilometers south of Mogadishu, after constant threats by gunmen trying to loot food meant for the starving, Reuters reported. "The very people who are supposed to be protecting relief staff are holding guns on them," a top UN official said.]

Mr. Mahdi Mohammed was more candid about his lack of control over his troops: "These are boys who come from the countryside," he said. "It will take time to train them to accept the rule of the country. They have not been to school."

According to Somali estimates, each leader commands roughly 4,000 to 5,000 troops, mostly undisciplined and untrained but able to institute much of the effort to deliver food and medicine and to pose a threat to the UN troops.

In August, the UN special representative in Somalia, Mohammed Sahnoun, won the approval of General Farrah Aidid for 500 UN troops who arrived in Mogadishu.

These 500 troops are expected to be deployed in the second week of October, but so far Mr. Sahnoun has been unable to secure General Farrah Aidid's permission for the additional 3,000 approved by the Security Council earlier this month.

## IN MEMORIAM

Jean-Henri Sommer

(Jeff)

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General Secretary of the IMPA-Network.

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Christine Roosens Sommer and Anthony, Basel, Switzerland

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# DEPRESSION: An Epidemic

(Continued from page 1)

dramatically reduce the length and intensity of depression. Treatment may also help to reduce the chances that the depression will recur. If the depression is severe or if the symptoms interfere seriously with a person's life, anti-depressant medication is commonly prescribed. These drugs are not addictive and do not adversely affect behavior.

Instead of medication or in addition to it, psychotherapy may be offered. One approach is short-term counseling that focuses on the patients' negative views of themselves and the world. Another relatively brief approach focuses on the patients' conflicted relationships with others.

In its most classic forms, depression results in feelings of sadness, loneliness, apathy, worthlessness, guilt, pessimism or hopelessness. Normal drives are severely diminished, resulting in a loss of appetite and sex drive, sleep disturbances and emotional withdrawal.

But instead of telling doctors that they feel sad or hopeless, at least half of depressed patients complain of a physical problem: headache, constipation, chronic fatigue, weight loss, insomnia, backache or indigestion, prompting a battery of tests that reveal nothing about the real cause and may result in mistreatment.

In children and adolescents the symptoms may be even more obscure. A depressed infant may fail to grow properly, a toddler may have protracted tantrums, a child in elementary school may try to avoid school and an adolescent may refuse to eat, notes Collette Dowling in her recently published book "You Mean I Don't Have to Feel This Way: New Help for Depression, Anxiety and Addiction" (Charles Scribner's & Sons).

# A Self-Check Questionnaire

New York Times Service

This test, offered by the organizers of National Depression Screening Day, can help you assess whether you are suffering from a serious depression.

1. I feel downhearted, blue and sad.
2. I don't enjoy the things that I used to.
3. I feel that others would be better off if I were dead.
4. I feel that I am not useful or needed.
5. I notice that I am losing weight.
6. I have trouble sleeping through the night.
7. I am restless and can't keep still.
8. My mind isn't as clear as it used to be.
9. I get tired for no reason.
10. I feel hopeless about the future.

If you agree with at least five of the statements, including either item 1 or 2, and if you have had these symptoms for at least two weeks, professional help is strongly recommended. If you answered "yes" to statement 3, get help immediately.

If you want information and help in obtaining proper treatment, send a stamped, self-addressed envelope, with a suggested contribution of \$5, to the National Foundation for Depressive Illness Inc., P.O. Box 2257, New York, New York, 10116.

# EUROPE: For Business, One More Job to Get Done

(Continued from page 1)

counting on the unified market to at least keep everyone going in the same direction. That should help consumers across Europe, too, as increased efficiencies lead to better products and lower prices.

"We've built a pan-European company without a pan-European currency," said Lindsey Halstead, who runs Ford Motor Co.'s European operations from his office just outside London. "So we're no worse off today than we were before. We're just not as well off as some might have hoped."

To many companies, there is little question that the EC's single market would ultimately benefit from the creation of a single currency that would eliminate all risk of exchange rate instability. But now, instead of waiting for the politicians, some are taking matters into their own hands.

Dow Chemical Co., for example, just adopted its own single currency. It's called the Deutsche mark.

Last week, with wave after wave of currency convulsions sweeping across Europe, Dow Europe imposed a policy of pricing its basic chemical products in German marks rather than local currencies. The company said it could no longer afford to absorb the risk of exchange rate fluctuations itself.

Big business could not have delivered a clearer message to Europe's political leaders: It is no longer banking on the European Community's ambitious plans for blending most currencies together under the umbrella of a single central bank by as early as 1997. The German mark, Dow's move suggests, is well on its way to becoming Europe's de facto currency.

Alan Winters, an economics professor at the University of Birmingham, thinks European leaders will find ways to preserve most of the advantages of economic unity despite the recent turmoil.

"The single market enjoys widespread popular support," he said. "The single currency doesn't. As long as the EC does not allow rela-

tions to break down completely, I don't think there should be any serious backtracking."

Indeed, the Community continues to make progress in putting the single market into effect. Of the 282 single market measures originally proposed by the EC Commission, 250 have already been adopted by all 12 member states. Another eight are in the pipeline, an EC spokesman said.

Moreover, any advantages British and Italian based exporters derive from devaluation and floating exchange rates may well prove temporary.

Rising import prices for raw materials and supplies are likely to add to inflation and work their way into wage costs, thereby eroding most, if not all, of the gains.

Oh! Europe, for instance, British-based arm of Japan's Oki Elec-

tric Co., should be pleased by the devaluation of the pound. It stands to make an extra profit on the approximately 70 percent of the value of the computer printers it sells across Europe that is produced in its factory in Scotland. And Oki generally buys less from Japan, whose stronger yen makes goods from there more expensive, than most of its rivals. Nonetheless, its managers are complaining.

In the end, what worries some analysts the most is that Community leaders might just give up the game entirely if they strike out on the Maastricht treaty.

"Jacques Delors once said it was impossible to fall in love with the single market," said David Rocha, chief European strategist for Morgan Stanley International in London. "I hope he can learn at least to like it now."

# TREATY: Major Reassures Paris

(Continued from page 1)

citizens for the better." Britain, however, is apparently alone in wanting to revise the Community's so-called exchange-rate mechanism so that the pound can return to the system of linked currencies. At a meeting of finance ministers Monday, Britain was rebuffed and on Wednesday Mr. Major said it was "not appropriate" to discuss monetary matters in public.

French officials have nonetheless insisted that they were eager to help Mr. Major combat the new uprising by "Euro-skeptics" within his Conservative Party, fearful that Britain — more even than Denmark — could still sink the union treaty. A Foreign Ministry spokesman said France was ready to accept British ratification as late as January.

During negotiations preceding the treaty, Britain was often in a minority of one as it tried to block moves to build a federal Europe and avoid a firm timetable for creation of a single currency. In the

end, Britain refused to commit itself to a single currency and "opted out" of signing an agreement of workers' rights.

■ A "Europa-Mark?"

Mr. Waigel said the joint currency zone would have the Deutsche mark as anchor and develop into a joint currency, the Europa-Mark. Reuters reported. He said he would not limit this inner circle of European countries to the French franc and the mark.

"There are no barriers against including the Benelux countries and Denmark," he said, adding that such a Europe would also be possible with Austria and Switzerland.

"The only determinants are economic, financial and stability criteria," Mr. Waigel said. "Around this circle a Europe will develop that consists of countries that either belong to the European Community or want to belong. These countries do not fulfill the criteria, but undertake efforts toward convergence," Mr. Waigel said.

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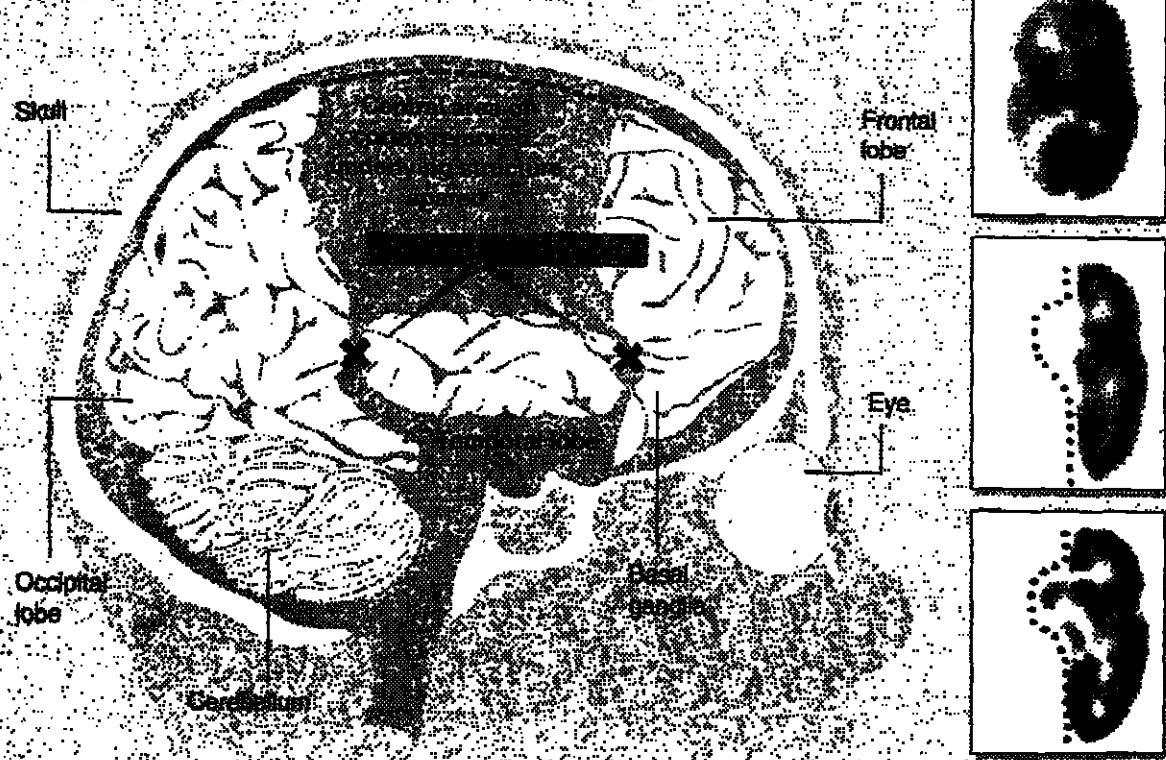
No Therapy Chlamydia

TO SAVE TO THE U HERE'S W STAR



HEALTH/SCIENCE

Isolating Abnormal Brain Tissue



Radical experimental surgery: In epileptic infants, surgery is being used to remove abnormal brain tissue in one hemisphere or to sever the connection between it and the rest of the brain.

Reorganization after surgery: Positron emission tomography image of horizontal cross section of an infant's brain before similar surgery (top) shows low metabolic activity in the left half of the cortex.

Sources: Dr. William Penick; Dr. Harry Chugani/U.C.L.A.

The New York Times

New Hormonal Clues to Cancer

By Cristine Russell Washington Post Service

WASHINGTON — Women who have given birth appear to be at "significantly decreased risk of brain cancer" compared to women who have never borne children, according to a study by scientists at the National Cancer Institute and the University of Iowa.

Brain cancer is relatively uncommon, but cases have risen nearly 25 percent in the United States since the early 1970s, according to NCI. The American Cancer Society estimates that there will be 9,100 new cases and 6,500 deaths in men and 7,800 new cases and 5,300 deaths in women in the United States this year from cancers of the brain and nervous system.

It has long been recognized that women who have never had children or whose first childbirth was after age 30 are at increased risk of breast cancer, compared to women who have children at a younger age. However, the relationship of pregnancy and childbirth to other cancers has been less studied.

The new study suggested that giving birth reduces the risk of colon cancer, as has been observed in other research. There were no significant findings regarding childhood and cancers of the rectum and pancreas, although the risk of kidney cancer appeared to increase

slightly among women who had given birth to five or more children.

An earlier analysis of the Iowa data found a lower risk of bladder cancer in women who had given birth, particularly among non-smokers, supporting a hormonal link. Bladder cancer is also two to four times more common in men than women.

The strongest statistical link was found between brain cancer and childbirth, with women who had never given birth about 2.5 times more likely to be diagnosed with brain cancer, compared to women who had given birth. The risk of getting this malignancy did not appear related to the number of live births. But there was a "suggestive trend," said Dr. Cantor, that women who gave birth before age 20 were at lowest risk. The risk of getting brain cancer rose as the age of first birth increased. Women who had never given birth seemed at highest risk for brain cancer.

Fever: A Problem or a Solution?

By David Brown Washington Post Service

WASHINGTON — If you inject a grasshopper with certain bacteria, it will jump to the sunniest place of grass within reach and commence to develop a fever. Of course, if it had the option of putting its head under the covers, it might do that instead in the hope of thwarting infection.

Fever, it turns out, is one of life's oldest adaptations, an evolutionary "solution" that has been carefully passed from one phylogenetic family to another.

Fever is one of the oldest and most important signs in clinical medicine. Nonetheless, Americans spend at least \$1 billion a year to get rid of it, even though very little is known about its effect on the course of disease. Moreover, the workings and purpose of fever are not fully understood by modern science.

A team of medical researchers in Baltimore reported last week that in human beings, fever from now on should be considered as any temperature higher than 98.9 Fahrenheit in the morning, or 99.9 later in the day. The long-established "normal" standard of 98.6 is not a sacred barrier beyond which lies evidence of illness.

These findings reinforce the fact that the regulation of temperature is one of life's subtlest, and most mysterious, mechanisms. Temperature not only helps determine behavior, fertility and metabolism; it also significantly affects the immune system — every animal's built-in medicine cabinet. Temperature, in many ways, is the key to the cabinet.

With such potent effects, it is of little surprise that temperature is both jealously defended and constantly adjusted in organisms virtually throughout the animal kingdom.

A part of the brain called the hypothalamus is the seat of temperature regulation in higher animals. Specialized cells there are sensitive to changes in the temperature of circulating blood, and also receive information from nerve cells in the skin and other remote locations. For

human beings, the goal is to maintain temperature roughly between 98 and 99 F.

When temperature rises or falls significantly, an animal is driven to undertake behavior that will adjust its temperature to the desired range. For people, this can be as simple as putting on or taking off a sweater. If such adjustments are not sufficient, the body will rely on internal devices, notably sweating or shivering.

When microorganisms invade the body, the immune system is stimulated to produce chemical substances, called pyrogens, that change the

more quickly, multiply faster, produce more antibodies and in many cases kill microorganisms more avidly. At the same time, the growth of some viruses and bacteria is inhibited by even a small rise in temperature.

The pyrogens released by the body to produce fever are, at low concentrations, also powerful immune-system stimulants in their own right. In overwhelming infections, however, these chemicals often are produced in toxic quantity. Flooding the bloodstream, they cause blood pressure to fall, the lungs to fill with fluid and the heart to weaken. Death follows quickly. One of the most active fields of pharmaceutical research today aims at making drugs that block or prevent the production of these substances.

Why would a biological system that produces fever — with all its apparent benefits — often produce a self-inflicted lethal injection of pyrogens at the same time? The answer lies in the evolutionary past, to be guessed at but not precisely known.

One theory, proposed by Philip A. Mackowiak, an infectious disease specialist at the University of Maryland and author of last week's article on the "new" normal range of temperature, is this:

Fever, and all the biochemicals that accompany it, benefits a species if it helps individuals with mild infections recover more quickly and get back to the business of reproduction. Individuals with severe — and potentially prolonged — infections, however, are a different matter. They pose a risk of spreading disease. A species is thus safer to treat them as unsalvageable — and a large dose of pyrogens guarantees a fatal outcome.

Given all the research that has gone into fever's effects in other species, it is perhaps surprising that so little is known about its importance in human disease. No clinical trials have ever determined whether, on balance, people with infections do better or worse if fever is left to run its course. "It is certainly a question that I would like to have the answer to," Dr. Mackowiak said last week. "I'm not optimistic that it's one that will be answered in my lifetime."

How Surgery Can Counter Epilepsy

By Sandra Blakeslee New York Times Service

LOS ANGELES — Shortly after he was born, Jacob Stark's arms and legs started jerking every 20 minutes. Weeks later he could not focus his eyes on his mother's face. The diagnosis: uncontrollable epileptic seizures involving his entire brain.

His mother, Sally Stark, recalled: "When Jacob was two and half months old, they said he would never learn to sit up, would never be able to feed himself. Nothing could be done to prevent profound retardation. They told us to take him home, love him and find an institution."

Instead, the Starks took Jacob from their home in Atlanta to the University of California at Los Angeles for radical brain surgery. "They removed a fifth of his brain," Sally Stark said. He was five months old. "A day after surgery he looked up and saw us for the first time," she said, then paused. "My son has two birthdays. The day he was born and the day of the surgery." Now nearly 3 years old, "Jacob talks, runs, jumps and goes to preschool with normal children," she said.

Epilepsy surgery is gaining in popularity as techniques for finding diseased tissue and re-

moving it have improved, said Dr. William Theodore, chief of the clinical epilepsy branch at the National Institute of Neurological Disorders and Stroke in Bethesda, Maryland. But the most spectacular results are being seen in babies and very young children.

"We've always hoped that kids with uncontrollable seizures would outgrow it," Dr. Theodore said. "But a significant number do not. Now there is increasing evidence that the earlier you operate, the better you help them avoid later neurological and social problems."

Dr. Harry Chugani, a brain imaging specialist at UCLA, says he thinks he knows why. Using a technique that injects radioactive tracers into babies' brains before and after surgery, Dr. Chugani maintains that he has the first real proof that human brains can make extensive reconnections after surgery, but only if the patient is 5 years of age or younger, preferably 2 or under. Older children improve after surgery but their brains do not reorganize as much, he said, and adult brains show no reorganization.

By examining the abnormal tissue removed from the brains of children, Dr. Chugani said, researchers are finding clues about what makes a baby's brain grow, make new circuits and prime unused connections. The work may eventually shed light on the unknown causes of mental retardation and learning disorders.

But some experts criticize the methods used at UCLA. "They do a spectacular job with surgery and helping families," said Dr. John Freeman, director of the pediatric epilepsy center at Johns Hopkins Medical School in Baltimore. But the radioactive imaging technique — positron emission tomography, or PET — is not the only way to make a diagnosis, he said. Children can be assessed for surgery without exposing the rapidly dividing brain cells to radioactive substances, he said.

Five medical centers have large pediatric epilepsy programs: Hopkins, UCLA, Miami Children's Hospital, MINECEP Epilepsy Care in Minneapolis and the Montreal Neurological Institute. UCLA uses PET scanning more than the others. "We would not have operated on many children if it were not for PET scanning," said Dr. Warwick Peacock, a UCLA pediatric neurosurgeon who has removed brain tissue from 140 children.

Epileptic seizures arise when large amounts of cells in the brain's cortex produce electrical storms that spread and damage neighboring tissue. They occur only in the cortex, where higher functions like thinking, vision, language and planning take place.

IN BRIEF

Single-Dose Therapy Found for Chlamydia

WASHINGTON (WP) — Researchers have developed a single-dose antibiotic treatment for chlamydia, the most common sexually transmitted disease in the United States, that they say is as effective as the standard seven-day course of drugs. Failure to stick with the weeklong treatment, particularly by the many patients who are asymptomatic, has been a barrier to controlling the epidemic.

According to the U.S. Centers for Disease Control, there are an estimated 4 million to 6 million new cases of chlamydia each year and up to 10 percent of sexually active adults may carry the disease. Genital chlamydia causes inflammation of the cervix, endocervicitis and fallopian tubes is a major cause of infertility and life-threatening ectopic pregnancies. In addition, infected pregnant women may transmit chlamydia to their infants at birth, causing neonatal pneumonia and eye damage. The new drug, azithromycin was tested against chlamydia by re-

searchers at Louisiana State University in New Orleans, who reported their findings in the New England Journal of Medicine.

Genome Triumph: Chromosome Map

LONDON (Reuters) — Biologists have taken a giant leap toward mapping the human genome — the

blueprint that carries all the information needed to make a human being.

Dr. Daniel Cohen, director of the Center for the Study of Human Polymorphism in Paris and coordinator of a new mapping at Genethon, a new laboratory south of Paris, reported the first complete map of a human chromosome, 21q, in Thursday's edition of Nature magazine.

Mapping the genome is such a complicated and vast undertaking it has been called biology's equivalent of landing on the moon. The 21q map stems from intensive collaboration involving an additional 10 institutions and 35 co-authors worldwide.

An Anomaly Upsets Comet Theories

NEW YORK (NYT) — If comets share the same birthplace and if that birthplace is homogeneous, they should be as smoothly uniform as well-mixed cake batter. Those assumptions underlie the prevailing theories of comets' origins, but a recent study has turned up what appears to be a lump in the batter.

In an analysis of the spectra, or chemical fingerprints, of nearly a score of comets, one called Yutaka (1987) turned out to be drastically depleted in two charged carbon molecules: C<sub>2</sub> and cyanide. "The comet is really totally different from the others," said Dr. Uwe Fink of the Lunar and Planetary Laboratory of the University of Arizona.

ACROSS

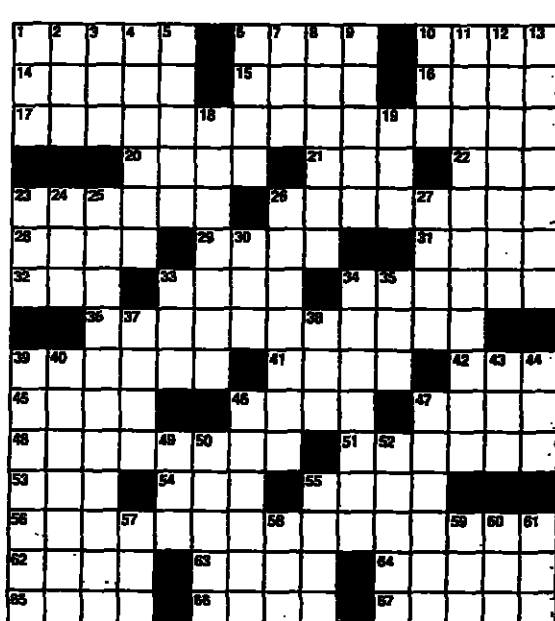
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29 Publius Naso
31 Onetime S. Korean leader
32 This could be arabic or elastic
33 Nice girlfriend
34 Fastidious
36 Umbrella
39 Makes up for
41 Causerie
42 Prudence
45 Crucifix
46 Baltic island
47 Kismet
48 Grass clumps
51 Became less aloof
53 I, in Frankfurt
54 A ubiquitous article
55 Stadium section
56 Scenarios
58 Binge
59 Tidal stage
64 Purgent bulb
65 Whiffen: Corn, form
66 Nile menaces
67 Smart

Solution to Puzzle of Sept. 30

ACROSS: 1 SHOOT, 2 SASSY, 10 "MORNIN'...!", 14 MIKHAIL'S MATE, 15 HUMDINGER, 16 KEEN; GRASPING, 17 TARGET-PRACTICE PLACE, 20 — ROYAL, QUEBEC, 21 A MEMORABLE REHAN, 22 HEADLAND, 23 CENTRAL AFRICAN LAKE, 26 FORMS BUILDING BLOCKS FOR SHIPMENT, 28 FIBBER, 29 PUBLIUS NASO, 31 ONETIME S. KOREAN LEADER, 32 THIS COULD BE ARABIC OR ELASTIC, 33 NICE GIRLFRIEND, 34 FASTIDIOUS, 36 UMBRELLA, 39 MAKES UP FOR, 41 CAUSERIE, 42 PRUDENCE, 45 CRUCIFIX, 46 BALTIC ISLAND, 47 KISMET, 48 GRASS CLUMPS, 51 BECAME LESS ALOOF, 53 I, IN FRANKFURT, 54 A UBIGUIOUS ARTICLE, 55 STADIUM SECTION, 56 SCENARIOS, 58 BINGE, 59 TIDAL STAGE, 64 PURGENT BULB, 65 WHIFFEN: CORN, FORM, 66 NILE MENACES, 67 SMART.

DOWN

- 1 Grad. class
2 Word of disgust
3 Bravo or Grande
4 Chemical compound
5 Croc's cousin
6 — l'Eveque cheese
7 H.S. subject
8 Consider
9 Vocation
10 Indian cymbals
11 Canine facial feature
12 Corsairs
13 Adventurous wandering
16 Burial, old style
19 Varnish ingredient
23 Form of math.
24 The Blackbirds' inst.
25 Giant panda's tidbit
26 Barbara Bush's family
27 Buck follower
30 Content
33 Soul, in Saint-Malo
34 Disordered
35 Torrid
37 Berlin conjunctions
38 N.Y.S.E. client's holding
39 Dancer like Martha Graham
40 Treat of in passing
43 John Duncan was one
44 Spread hay
46 One-seeded fruits: Var.



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International Herald Tribune, Thursday, October 1, 1992

THE TRIB INDEX: 92.78 International Herald Tribune World Stock Index... Asia/Pacific Europe N. America

U.K. Bank Prospects Cool Off

Rate Concerns Hit Recovery Hopes By Erik Ipsen... LONDON — With financial markets betting the government will be able to lop no more than 1 percentage point off British base rates this year...

'Great Optimism' in Sweden Markets Rally on Cuts in Rates and Taxes

STOCKHOLM — Swedish stocks and bonds rallied strongly Wednesday after the government and central bank acted together to cut employers' social security costs and silence lingering talk of a possible krona devaluation.

German Stock Index Hits 92 Low

FRANKFURT — Germany's major stock index fell to a 1992 low on Wednesday amid concerns about the weak dollar and fading hopes of a cut in interest rates.

U.S. Home Sales Plunge Despite Lower Rates

WASHINGTON — Sales of new homes plunged 6.1 percent in August, the government said Wednesday, despite the lowest mortgage interest rates in nearly two decades.

ITT Plans Huge Charge

NEW YORK — ITT Corp. said Wednesday it would take a \$382 million charge against third-quarter earnings, largely so it could strengthen its reserves to fund expected insurance losses at its Cameron & Colby subsidiary.

INTERNATIONAL MANAGER

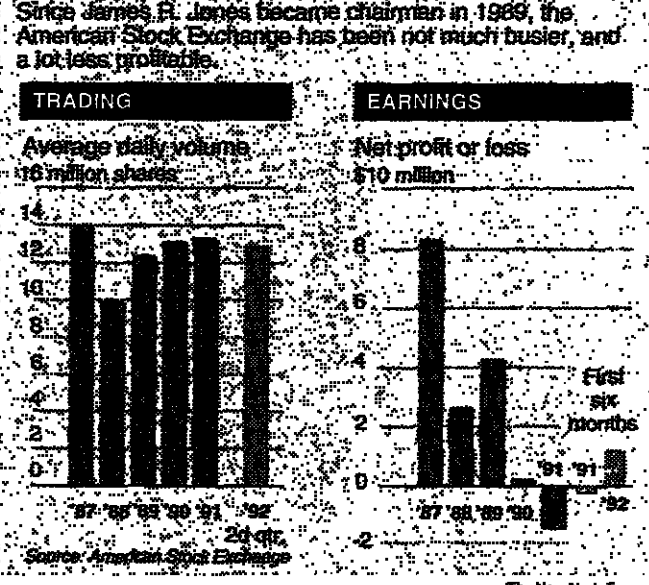
From GM's New Knight, Terms of the Costs Battle

By Doron P. Levin... T. CLAIR SHORES, Michigan — The hype is the billions of dollars annually that J. Ignacio Lopez de Arriortua promises he will save General Motors Corp. in lower outlays for parts and materials.

James Jones at Amex: The Street Now Wonders

By Kurt Eichenwald... NEW YORK — Struggling to survive as the nation's third-largest stock market, the American Stock Exchange in 1989 undertook a bold experiment: In search of a new chairman, the Amex reached outside Wall Street's clubby world to James R. Jones, a former Democratic congressman.

A Struggling Exchange



"The industry is changing," he said. "Any kind of change brings criticism." And Mr. Jones has won converts through his work. "Before he was selected, I was not someone who was in favor of Jim Jones because I thought we needed someone with more experience," said Jeffrey Silverman, chairman and chief executive of Ply-Gem Industries and a member of the Amex board.

Auditors Of BCCI Targeted

By Richard W. Stevenson... LONDON — The liquidator of the Bank of Credit and Commerce International will seek billions of dollars in damages from the failed bank's auditors, people involved in the case said Wednesday.

CURRENCY & INTEREST RATES

Table with columns for Currency Rates, Eurocurrency Deposits, Key Money Rates, and Forward Rates. Includes data for various currencies and interest rates.

Penalties Halt As Eurotunnel Gains Funding

LONDON — Eurotunnel PLC won some financial breathing space Wednesday, allowing it to complete the Channel Tunnel project.

CORUM Maitres Artisans d'Horlogerie SUISSE. A true collector's item. The only coin watch for the connoisseur. Includes an image of a watch.







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MARKET DIARY

Wall Street Stocks Show Resilience

Compiled by Our Staff From Dispatches NEW YORK — U.S. stocks closed slightly higher Wednesday...

situation, it makes you wonder how much good that would do. The latest market concern centers on IBM, which is taking an after-tax charge of about \$3.5 billion against 1992 earnings...

N.Y. Stocks outlook for the economy and corporate earnings remains weak. "People have thrown everything including the kitchen sink at the market and it's still standing," said Jack Solomon, market analyst at Bear Stearns.

The Dow Jones industrial average gained 4.86 points, to 3,271.66. Advancing common stocks outnumbered declining issues by a margin of about 8 to 5 on the New York Stock Exchange, where trading was moderate...

"We're all waiting for Friday," said Alice Sadio, a first vice president at McDonald & Co., referring to the jobs report. "People are expecting the Fed to lower rates again, but with the dollar...

EIRA: New Pressure on Currency

(Continued from page 1) government securities, on Tuesday issued an unusual denial that "it was planning any measures of any kind whatever" beyond those already made public.

Nevertheless the cabinet met late Thursday to discuss sharp budget cuts amid signs of a battle over which ministries should bear the burden of spending cuts.

Foreign Exchange Wednesday morning sent a clear signal that no hasty cuts in official rates were being contemplated, the lira was unable to stage much of a comeback.

The current value of the Italian currency is a far cry from the \$20 lire ceiling for the mark under the exchange-rate mechanism. But the Bank of Italy was forced to throw in the towel and stop seeking to defend the lira within the ERM on Sept. 17. Months of dogged defense against speculators — convinced Italy's daunting economic and financial problems added up to devaluation — drained reserves.

Meanwhile, comments by a central bank member of the Bundesbank, Germany's influential central bank, that interest rates might fall for months, plus the speculation on a cut in U.S. rates, piled pressure on the dollar, although it recovered from its lowest levels to mixed.

On Tuesday, Lothar Maier, a

Comptroller was the most active issue on the Big Board, falling 3/4, to 64, on news that third-quarter earnings and sales will fall below targets set by the company. ComputerVision's stock is now about 50 percent below its initial public offering price of \$12 a share in August.

U.S. Bioscience led the American Stock Exchange actives, falling 1 1/2, to 74. Alex. Brown cut its rating on the stock on Tuesday because of concerns about the safety and efficacy of U.S. Bioscience's Ethylol drug.

Perrigo led the over-the-counter actives, off 1/4 at 32 after the maker of pharmaceuticals and personal care products announced a 5 million share offering of common stock at \$32 a share.

BANKS: Concerns About U.K. Rates Hurt Sentiment

(Continued from first finance page) government's economic policy is," said Graham Jinks, an analyst at Barclays de Zoete Wedd.

In spite of all the optimism that surrounded Britain's decision to steer an independent economic course, the weak outlook for the banks, and by extension for the economy as a whole, is little changed. Some brokers have lowered earnings estimates on British banks, and most bankers and analysts still look to the second half of next year for the long-awaited beginning of the decline in bad debts.

Reflecting that barely bright outlook, the Bank of Scotland on Wednesday raised its dividend by 4.1 percent, slightly ahead of the rate of inflation. It reported pretax profit of £74.2 million, down from £75.7 million a year earlier. Bad debt provisions rose from £120 million to £138 million.

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The Dow

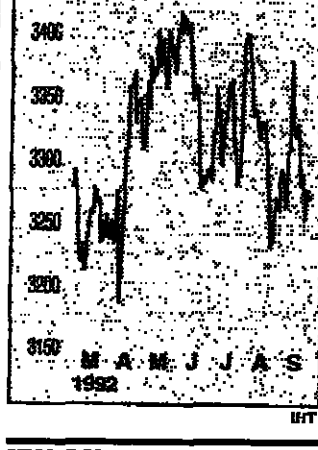


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Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Dow Jones Averages

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EUROPEAN FUTURES

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Table with columns: High, Low, Close, Chg. for Spot Commodities.

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Table with columns: High, Low, Close, Chg. for Hunt Bankruptcy Claims Dismissed.

Table with columns: High, Low, Close, Chg. for Pennzoil to Acquire Chevron PBC.

Table with columns: High, Low, Close, Chg. for U.S. Aide Warns on Russian Reforms.

Table with columns: High, Low, Close, Chg. for For the Record.

U.S. FUTURES

Table with columns: High, Low, Open, High, Low, Close, Chg. for U.S. FUTURES.

Table with columns: High, Low, Open, High, Low, Close, Chg. for Grains.

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Table with columns: High, Low, Open, High, Low, Close, Chg. for Lumber.

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Home Communications Venture Set

NEW YORK (AP) — Apple Computer Inc., Eastman Kodak Co., Coming Inc. are among more than a dozen companies planning to study communications systems that could deliver movies on demand, electronic newspapers and other services to homes, industry executives said Wednesday.

The venture, to be called First Cities, will be announced next week, said the executives, speaking on condition of anonymity. The group is coordinated by the Microelectronics and Computer Technology Corp., a computer-industry consortium in Austin, Texas.

Apple confirmed it was part of the group. But an Apple spokesman declined to comment on what services the group would study or who would own the system. Spokesmen for Kodak and Coming had no comment. Industry executives said the other members include regional Bell telephone companies, but it was unclear which ones.

O&Y Unit Seeks Extension on Debt NEW YORK (Combined Dispatches) — The U.S. subsidiary of the embroiled Canadian company Olympia & York Developments Ltd. presented a plan on Wednesday to rescue the subsidiaries U.S. properties, asking bankers to suspend principal payments on debts for five years.

Olympia & York U.S. Holdings Co. said that if its creditors accepted the plan and it was successfully carried out, the properties would generate about \$80 million annually after operating expenses, leasing costs, debt service and partnership distributions by 1995.

The company did not offer any equity in its buildings, even though it is in default on some loans. It also did not seek any more money, and it pledged that no money would be diverted to the parent. (AP, Reuters)

Hunt Bankruptcy Claims Dismissed DALLAS (Bloomberg) — A U.S. bankruptcy judge has dismissed racketeering claims against 46 members of the Hunt family. The claims, brought by the trustees liquidating the financial empire of Nelson Bunker Hunt and William Herbert Hunt, were part of a lawsuit to recover more than \$100 million in assets that the brothers allegedly shuffled to relatives before filing for bankruptcy in 1988.

U.S. Bankruptcy Judge Harold Abramson ruled that the trustees did not have the authority to recover triple damages from family members under the Racketeering Inflation and Corrupt Organizations law.

Pennzoil to Acquire Chevron PBC HOUSTON (UPI) — Pennzoil Inc. announced Wednesday plans to exchange 48 percent of its \$2.2 billion investment in Chevron Corp. for all the stock of Chevron PBC Inc.

The Chevron subsidiary owns oil and gas producing properties in the Gulf of Mexico, along the Gulf Coast and in the Permian Basin in the Midland, Texas, area.

A definitive agreement approved by the boards of both companies calls for Pennzoil to transfer 15.7 million shares of Chevron Corp. stock in a tax-free exchange for all of the stock in Chevron PBC.

U.S. Aide Warns on Russian Reforms WASHINGTON (Reuters) — Russia has made progress in transforming its economy from communism to capitalism, but the reform program faces many obstacles and could still collapse, the U.S. Treasury undersecretary, David Mulford, said Wednesday.

"It's slipping," said Mr. Mulford of President Boris N. Yeltsin's program to free market prices, sell off state-owned concerns and stop monetary policy tight.

But he said in broadcast remarks that was to be expected in a democracy.

For the Record Hughes Information Technology Co. has won a \$685 million contract for a computer system to store and disseminate satellite information on global environmental changes, the National Aeronautics and Space Administration said.

WORLD STOCK MARKETS

Table with columns: Market, High, Low, Last, Chg. for WORLD STOCK MARKETS.

Table with columns: Market, High, Low, Last, Chg. for various international markets.

Table with columns: Market, High, Low, Last, Chg. for various international markets.

Table with columns: Market, High, Low, Last, Chg. for various international markets.

Large advertisement on the right side of the page, partially cut off, with text like 'Finance Opts for...' and 'The Sun of the Parts'.



كلنا من الخليل

EUROPE

France Opts for Wider Deficit

By Guy Collins
Bloomberg Business News
PARIS — With its tax revenues depressed and a general election looming in March, the French government...

The budget deficit is not big enough to jump-start the economy out of the European slowdown, economists said.

While Mr. Berguy and Finance Minister Michel Sapin described the budget as a prudent move, leaders of the center-right opposition decried the plan.

France plans 1993 tax revenue of 1.210 trillion francs and public spending of 1.376 trillion. Priority in spending is being given to education, employment, agriculture and justice.

Nonetheless, the growth in the budget deficit will be the "weakest of any European Community country," Mr. Malvy said.

EC Clears Du Pont-ICI Asset Swap

BRUSSELS — The European Commission said on Wednesday it had cleared an acquisition making Du Pont Co. the largest carpet fiber manufacturer in the European Community...

After months of inquiry and intense talks, it said it had allowed Du Pont to buy the nylon fibers business of Britain's Imperial Chemical Industries PLC...

"It really is a sale of part of the business," the competition commissioner, Sir Leon Brittan, said after he and the other commissioners decided to give the green light to the deal.

Sir Leon said Du Pont could have dominated the EC market for fiber used in velour and other synthetic carpets. But it had agreed to hand over about 12,000 metric tons of its fiber production capacity to a rival, which has yet to be chosen...

This would cut Du Pont's future share of the market to less than 38 percent from 43 percent and maintain competition from rivals such as Rhone-Poulenc/Snia, which has about a quarter of the market, and four smaller producers.

Sir Leon stressed it was up to U.S. regulators to rule on the other part of the deal between Du Pont and ICI, under which ICI will take over Du Pont's acrylics business.

In a statement from Du Pont's European headquarters in Geneva, chief executive Edgar Woolard welcomed the decision and said Du Pont and ICI were optimistic about getting approval from the Federal Trade Commission.

The agreement stipulates that ICI will trade its global nylon business interests for Du Pont's acrylic business and £250 million (\$443 million) in cash.

Real Estate Provisions Loom Over Suez Profit

PARIS — Compagnie de Suez said Wednesday it would report sharply lower first-half profit caused by a quinquennial of provisions taken primarily against risky property investments.

Suez said it expected first-half net profit to be substantially lower than last year's 1.83 billion French francs (\$379 million) as a result of provisions against real estate losses by two of its banking units, Banque Indosuez and Banque La Henin.

It said at the same time that it would clearly remain in profit and that its dividend policy would not change.

The stock of the financial concern plummeted 5.6 percent, to 226 francs in early trading, approaching its 1992 low of 219.40 francs. But it rebounded to close at 239 francs, off 50 centimes from Tuesday.

The financial services company said it made real estate provisions for the two troubled banks of 1.7 billion francs in the first half. That took real estate risk provisions for Suez to more than 2 billion francs, compared with 400 million francs a year earlier.

The provisions result from the current slump in the Paris real estate market, it said.

"The consolidated profit, taking account of the coverage of property risks, while remaining clearly positive, should be substantially lower than the 1.8 billion-franc level seen in the first half of 1991," Suez said.

Banque Indosuez, one of the two troubled banks, may need to make further large provisions against doubtful property loans in the second half of the year, chairman Antoine Jeancourt-Gallignani said Wednesday.

Indosuez said that its profit in the first half had plummeted to 81 million francs from 517 million francs last year, mainly due to a large increase in provisions. Those had risen to 1.39 billion francs from 544 million a year earlier. Provisions amounted to 662 million francs for the property sector alone.

Banque La Henin, the other bank, announced Wednesday that its consolidated net profit was only 6 million francs for the first half, less than a tenth of the 66.5 million francs earned a year ago.

Banque La Henin has a strong presence in the property sector. It said its operating profit, before provisions, was up by 1 percent from the first half of last year.

(Reuters, AFP, Bloomberg)

Investor's Europe

Table with columns: Exchange, Index, Wednesday Close, Change. Rows include Frankfurt DAX, London FTSE 100, Amsterdam CBS Trend, Brüssel Stock Index, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Aftersvaerjan, Vienna Stock Index, Zurich SSS.

Very briefly:

- Alcatel Alsthom of France said first-half net profit rose 20 percent from a year earlier to 3.115 billion francs (864.8 million), and its sales rose 6 percent to 79.48 billion francs. The communications, transportation and energy conglomerate said it expected similar growth in the second half.
Pernod-Ricard SA's net income rose 67.9 percent in the first half, to 502 million French francs, despite a "depressed" French market, excluding one-time items, profit was up 30.1 percent, to 389 million francs.
Municipal Mutual Insurance, which specializes in insuring British local governments, suspended operations pending talks on its future with shareholders and potential buyers; it has ended discussions with Generali Mutuelles des Fonctionnaires of France about a possible acquisition.
Powergen PLC, a British electricity supplier, said it would cut 120 jobs and cease power generation from units throughout England generating a total of 1,200 megawatts by March 1993.
Ratners Group PLC, the British jewelry retailer, said its first-half pretax loss widened to £30.6 million from £17.7 million a year earlier and that it would not pay a first-half dividend.
Royal Dutch/Shell Group said its Shell Development Sakhalin BV unit had signed an agreement with the MDM consortium to join a feasibility study to develop oilfields off Sakhalin Island in Russia's Far East.
Philip Morris Cos.' board approved a proposed offer for its Kraft General Foods Inc. unit by Fria Marabou A/S, Hershey Foods Corp. is considering a higher bid.
AFI, AFP, Reuters, Bloomberg

GM: The Sum of the Parts Is to Cost a Whole Lot Less

(Continued from first finance page)
factory surveys, within GM and among outside suppliers, to scrutinize every step of the work process and whether it adds value or wastes energy. Within a year, Mr. Lopez said, about 1,000 such surveys of suppliers will be completed and "we will see the success."

Many would say the changes are not a moment too soon. Years of complacent relationships with its suppliers have rewarded GM with the highest costs among major automakers. GM's own subsidiaries, which supply 70 percent of the company's parts and components, are among the biggest culprits.

Alarmed by the automaker's failure to address this and other issues, GM's nonemployee directors last April abruptly demoted Lloyd Reuss and promoted Mr. Smith, the head of GM Europe, to restructure North American operations. Mr. Lopez, who was Smith's purchasing chief in Europe, has jumped into the fray with apocalyptic fervor.

"If we lose this battle," he said, "we will face the prospect of becoming second-class citizens in second-class countries in the global economy."

Reduced to its essence, the gospel Mr. Lopez spreads is "lean production," a version of Toyota Motor Corp.'s production system that tries to eliminate all wasted labor and material, while maximizing attention to customer satisfaction.

While giving Toyota its due, Mr. Lopez asserts "our system is better than Toyota's. We have scientific methods; they work mostly by intuition."

Traditionally, American suppliers have figured what it costs to produce a part. Then they add profit to cost, and the sum is the price.

But Toyota, and now GM, have turned that accounting on its head. They first determine the price that represents the lowest amount a customer will pay for a part anywhere in the world. The supplier, to win a contract, then must squeeze its cost below that price in order to make a profit.

"Even if you are the best in quality and service, if you fail to achieve the customer's price goals through your costs, you have no chance to succeed," Mr. Lopez said. "The losers are the ones who never go to their plants, who don't know where the value is added, who don't know where the waste is and who are separated from their operations by layers of management."

In Europe, for several years running, Mr. Lopez achieved an impressive 21 percent annual price reductions from suppliers, according to Joseph G. Paul, an analyst at Sanford C. Bernstein & Co. in New York. "The pace of Mr. Lopez's track record is enormous," he wrote in one report on GM.

Mr. Paul cited a reported target of \$3 billion in savings from about \$30 billion in GM's parts purchases in the United States. Others estimated Mr. Lopez may try to slice \$5 billion from GM's worldwide parts bill.

Just matching his European performance in North America will be difficult for Mr. Lopez, according to Mr. Paul. Suppliers in Europe were fatter, he wrote, and many American and Canadian suppliers already have been subjected to cost-cutting by Japanese auto makers and earlier GM initiatives.

Deadline in Oilseed Dispute

GENEVA — The United States has given the European Community until midday Thursday to agree to binding arbitration under GATT authority on a six-year-old oilseeds dispute.

Contacts with EC representatives indicated the Community would probably not accept the deadline, Rufus Yerxa, said the U.S. representative to the General Agreement on Tariffs and Trade.

An EC spokesman said talks would continue, but he added, "We have never accepted binding arbitration."

Mr. Yerxa refused to say if Washington would carry out a threat to impose \$1 billion in sanctions on EC food imports if the deadline was not met. "We would have to reflect on the next steps. That is a determination for the people at the highest levels of my government."

The United States has proposed a neutral GATT panel decide the amount of compensation to be paid to non-EC producers of soybeans and other oilseeds to offset EC subsidies.

Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, dates, and prices. Includes sub-sections like 'INTERNATIONAL FUNDS', 'EUROPEAN FUNDS', 'AMERICAN FUNDS', 'ASIAN FUNDS', 'AFRICAN FUNDS', 'AUSTRALIAN FUNDS', 'EUROPEAN BOND PORTFOLIOS', 'EUROPEAN STOCK PORTFOLIOS', 'EUROPEAN CURRENCY PORTFOLIOS', 'EUROPEAN DOLLAR PORTFOLIOS', 'EUROPEAN EURO PORTFOLIOS', 'EUROPEAN POUND PORTFOLIOS', 'EUROPEAN YEN PORTFOLIOS', 'EUROPEAN DOLLAR PORTFOLIOS', 'EUROPEAN EURO PORTFOLIOS', 'EUROPEAN POUND PORTFOLIOS', 'EUROPEAN YEN PORTFOLIOS'.



### AMEX

**Wednesday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

52 Week High	52 Week Low	Stock	Chg	Yield %	Div	High	Low	Open	Close
100	90	IBM	+	4.5	2.00	100 1/4	99 3/4	100 1/4	100 1/4
100	90	MSFT	+	4.5	1.00	100 1/4	99 3/4	100 1/4	100 1/4
100	90	GE	+	4.5	1.00	100 1/4	99 3/4	100 1/4	100 1/4
100	90	AMT	+	4.5	1.00	100 1/4	99 3/4	100 1/4	100 1/4
100	90	GOV	+	4.5	1.00	100 1/4	99 3/4	100 1/4	100 1/4

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(Continued from Back Page)

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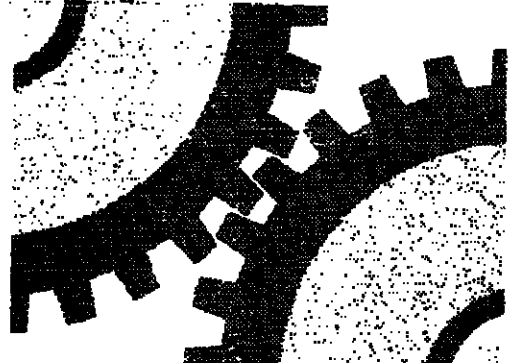












# TRADE & INVESTMENT

## THE TWIN ENGINES OF GROWTH

NINTH IN A SERIES

SOUTHEAST ASIA

Trade / Squeezed Out?

### Asia's Alphabet Age: Big Blocs and Buzzwords

Trade relations in the Asia-Pacific region have entered what might be called the Alphabet Age, an anxious and somewhat ambiguous era in which NAFTA, AFTA, APEC and EAEC have become buzzwords in a growing confrontation between buyers and sellers on either side of the Pacific.

The unveiling of the North American Free Trade Agreement on Aug. 12 sent Southeast Asian nations into a psychological free-fall, with government and business leaders either scrambling to minimize the landmark agreement's impact on Asia-Pacific trade or going to the opposite extreme with dire forecasts of economic doom.

NAFTA has spurred Southeast Asian leaders to push ahead with ambitious plans for their own trade blocs in what could eventually become a ferocious economic battle that divides the globe into rival camps.

"We want to build bridges between the Asian economies and the American economies to avoid the nightmare scenario of major warring blocs developing in the two regions," said Gareth Evans, Australian minister of foreign affairs and trade, after the NAFTA announcement. More people, however, seem to be listening to the sentiments of Malaysian Prime Minister Mahathir bin Mohamad, who has called on neighboring nations to "work toward establishment of a [Southeast Asia] free-trade zone by the turn of the century."

It is easy to see why Asians are frightened by the prospect of a huge North American trade zone. NAFTA will embrace more than 360 million consumers in the United States, Canada and Mexico when it comes into being in 1994.

Asians do not see red when it comes to free trade across the U.S.-Canadian border, but they seem absolutely terrified by the inclusion of Mexico. With its abundant cheap labor, Mexico seems both able and willing to compete with Southeast Asia in the production of labor-intensive goods such as textiles and electronics — with the added advantage of cheaper shipping because of closer proximity to major North American markets.

The World Bank estimates that Mexico will boost its annual trade by \$2 billion from the start; at the same time, South and Southeast Asian exports to North America are expected to fall by \$500 million per year from 1994. That half billion is a drop in the bucket when one considers that total exports from the region to North America are expected to top \$350 billion this year. The World Bank cautions, however, that the long-term numbers could be "significantly larger," depending on how Mexico takes advantage of its new status as a duty-free gateway to the United States and Canada.

A much gloomier forecast comes from the East-West Center in Hawaii, which predicts that Southeast Asia



will lose 12 percent of its annual trade with Europe and North America as a result of NAFTA and the European Community. Among the Southeast Asian industries that are expected to be hit hardest are chemicals, electronics, food processing, iron and steel, leather products, machinery, petroleum products, textiles and transportation equipment.

Another fear is that major investors — especially multinational companies in Japan, South Korea, Taiwan and Europe — will divert investment funds from Southeast Asia to Mexico in an attempt to take advantage of NAFTA. Stoking the flames of discontent is a recent fall in new industrial investment in the region, especially in Malaysia and Indonesia, which are finally beginning to feel the effects of the worldwide recession.

In an effort to counteract the North American and European trade blocs, Asian leaders have rushed to implement their own ideas like the ASEAN Free Trade Area, the East Asian Economic Caucus and the Asia Pacific Economic Cooperation group. The major obstacle to the serious implementation of any of these groups is that Asians cannot agree among themselves on the best course of action.

APEC is an informal economic advisory body formed in 1989; it includes 15 nations, which account for more than a third of world trade and nearly half the global gross national product. On the membership list are the United States, Canada, Japan, China, South Korea, Taiwan, Australia, New Zealand and a number of Southeast Asian countries. The group is committed to the elimination of trade barriers and to the free flow of goods between member countries, but it has no regulatory or legislative powers.

It is quite evident that some APEC members — particularly those from Southeast Asia — are growing increasingly impatient with APEC's inability to affect trade and other issues. Asian members are also miffed by continuing trade disputes between Washington and various Asian nations, including China, Malaysia and Japan.

The United States, Canada and Japan remain strong APEC supporters, however, and Mexico is eager to join the body. American and Canadian officials hoped to use the Bangkok conference to dispel fears that NAFTA will harm trans-Pacific trade.

Malaysia, a somewhat reluctant APEC member, is heavily pushing an alternative group. The proposed East Asian Economic Caucus would gather the strongest Asian economies into a working body to foster better trade

Investment / Rules of Attraction

### Winners and Losers in Capital Scramble

Thailand's dramatic general election result, marking the Southeast Asian kingdom's first real move toward civilian democracy, has put the shine back on its appeal as a target for foreign investment. In some respects, however, the setback that the Thais have had to cope with — a drop-off in investment caused by violent political upheaval — reflects a general trend throughout Southeast

Asia: foreign-capital availability is becoming tighter and the more developed economies will have to rely much more on their own investment resources in the future.

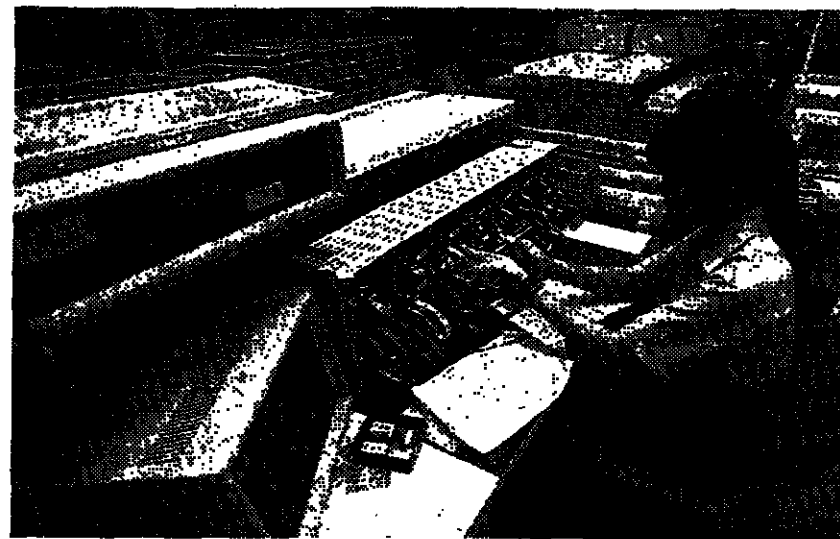
Before the military crackdown on pro-democracy activists in May, according to Robert Broadfoot, managing director of the Hong Kong-based Political and Economic Risk Consultancy Ltd., Thailand was trying to be more selective with foreign investment. This policy had begun as early as a year and a half ago, following a rush of new investment from the advanced East Asian economies. To a certain extent, Malaysia and Indonesia — the rival investment "darlings" of the Association of Southeast Asian Nations — were trying to be more selective as well.

One of the reasons for restraint was the need to cool their rates of expansion; this need was caused in turn, analysts say, by infrastructural bottlenecks placing a limit on growth.

Financial experts expect foreign money to flood back into Thailand now that a democratically elected government is in power, but some do not see Thailand retaining the appeal it enjoyed in the late 1980s. "Certainly an increase is likely, but it will not be the boom we saw in the past," says Aissa Cuthbert of Bangkok-based Jardine Fleming Thanacon Securities. This somewhat cooler investment environment is expected to affect all the previously booming targets in Southeast Asia, prompted by global competition as much as infrastructural constraints or fears of further political turmoil.

"Between 1988 and 1990, there was a huge influx of East Asian capital, principally from Taiwan and South Korea, into the ASEAN hot spots like Thailand, Malaysia and Indonesia," Mr. Broadfoot says. "But these were largely export-oriented investors driven overseas by high labor costs and looking to maintain their U.S. market share."

"This wave has ended — it was not



Would greater unity among Southeast Asian nations help protect electronics, textiles and other labor-intensive industries from the Mexico threat?

and economic links. EAEC, however, would exclude North American and South Pacific nations, and it is strongly opposed by Washington. Not wanting to be drawn into a trade war with its major markets, Japan has wavered on its own participation, casting a shadow over EAEC's formation.

A more likely alternative is the ASEAN Free Trade Area, which includes the six members of the Association of Southeast Asian Nations: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. With a combined population of more than 335 million, AFTA has nearly as many people as does the North American zone.

ASEAN was originally formed in 1967 to nurture commercial and cultural cooperation in the region, but for most of its life the organization has concentrated on defense collaboration as a bulwark against communism. With the disintegration of the communist threat, however, ASEAN is now being increasingly looked upon as a means of fostering better economic and trade ties.

As a reflection of how times have changed, current and former communist states like Vietnam, Laos and Cambodia are lobbying for entry, and there is also a possibility that socialist Myanmar (Burma) might join.

AFTA got off to a flying start this month at a special meeting of ASEAN economic and finance ministers in Bangkok, a meeting that ironically coincided with the APEC Forum. Among the tangible results already achieved is a pact to greatly reduce tariffs on manufactured goods and processed foods traded between AFTA members; this policy will be implemented gradually over the next 15 years.

AFTA, however, is not likely to have much effect on intraregional trade, at least not in the beginning. Trade be-

tween the six members currently accounts for less than 20 percent (\$25 billion in 1990) of total commerce.

One great shortcoming of the AFTA accord is that it does not include such agricultural commodities as palm oil, rubber and rice, which are some of the biggest money spinners in the region. Nor does it include services or capital goods. Furthermore, countries can exclude certain "sensitive" industries for the first 15 years of the treaty, effectively protecting anything they wish.

Joseph R. Yogerst

Infrastructure / Quantity and Quality

### Investment Projects Spur Development

Throughout Southeast Asia, major infrastructural projects — in many cases financed by North Asian investors — are transforming the landscape and enabling the region to withstand the strains of rapid economic growth.

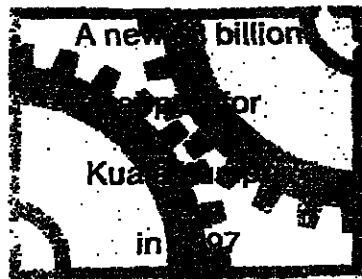
In the wake of the recent presidential election in the Philippines, Taiwan and Singapore have been the first major regional investors to focus on opportunities there.

Convinced that the investment climate has improved after President Fidel Ramos's relatively peaceful assumption of power, Taiwanese investors plan to pour about \$1.6 billion into the country, establishing new petrochemical cement, textile and manufacturing industries.

It is, however, Singapore's initial investment target that has aroused the most excitement. The Keppel Corp., one of Singapore's biggest conglomerates, is seen as a leading contender to redevelop the former U.S. naval base at Subic Bay into an industrial and commercial center.

Keppel's chairman, Sim Kee Boon, has been quoted as saying he will try to persuade Singapore Telecom, Singapore Aerospace and some petroleum companies to take part.

Mr. Sim sees them developing a container port, telecommunication and satellite facilities, power stations, and petroleum and chemical storage areas on the site, with the Singapore



Port Authority possibly operating the container terminal.

For its part, the Philippine government has asked Keppel Corp. to come up with a more detailed investment plan for the base, and discussions have been followed up in Singapore by Richard Gordon, mayor of Olongapo City and chairman of the Subic Bay Metropolitan Authority.

While most economic observers see the proposed port project as vital to the country's economic renaissance,

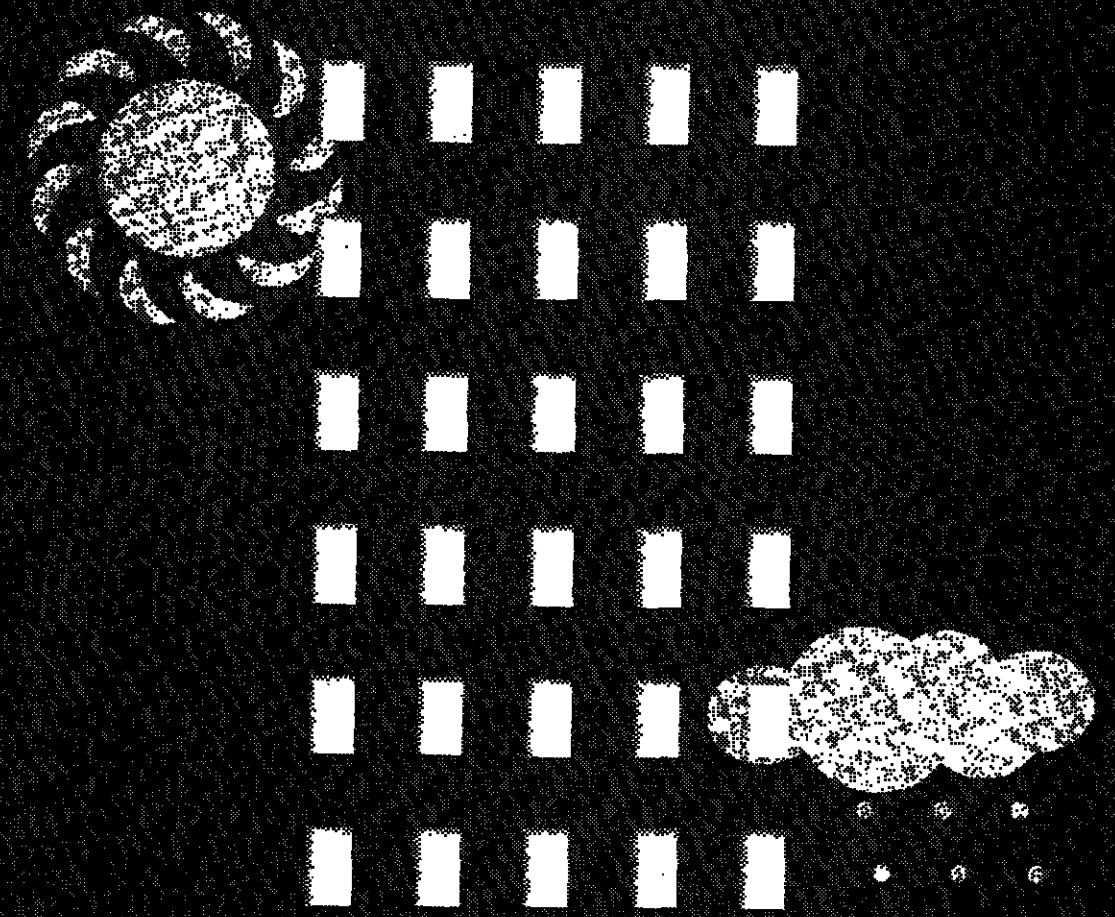
they regard the plan for new power stations as even more significant. In a bid to overcome a major drawback to foreign investment — chronic power failures and brownouts in Manila — the Ramos administration has approved at least eight energy projects since it came to power, the two most recent ones costing \$56.8 million.

In Malaysia, three huge projects confirmed this year have underscored the Islamic nation's prominence as a target for foreign investment. The state oil company Petronas has joined with five local and foreign corporations, including Sime Darby, to develop production, storage and transportation facilities in Sarawak; they are expected to establish the world's biggest liquefied natural gas project by 1996. The center, fed by gas fields in the South China Sea off Sarawak, will double Malaysia's LNG output to more than 15 million tons a year.

Petronas is also the majority shareholder of a consortium that is all set to develop a \$7.8 billion new downtown commercial, retail, hotel and recreational "city within a city" in Kuala Lumpur. Billed as the "single largest

Continued on Page 19

### Someone has to protect the great indoors, too.



While we're best known at Sanyo for consumer electronics, we also place great importance on making products that protect the earth's natural environment. At the same time, we're innovators of technology that improves large indoor environments as well. Right now, we're working toward climate systems for big buildings that can control the temperature, moisture, sound and even fragrance. Sanyo has already produced large-scale heating and cooling systems with no harmful CO<sub>2</sub> gas and no ozone-depleting CFCs. The result is cleaner, safer environments for large buildings and complexes everywhere. By any measure, technology like this is a sizable commitment, even for a large company like Sanyo. But we hope it shows the true dimensions of our concern for the environment, indoors and out.

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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. Peter Gwynne is a Hong Kong-based writer who specializes in science and technology. Steven J. Knipp, an American writer based in Hong Kong, covers Asia for a wide range of regional and international publications. Derek Maitland is publisher and editor-in-chief of The Pacific Traveller. Joseph R. Yogerst is a freelance writer based in Singapore.



## Sime Darby

# A new breed of corporate giant rising to challenge top businesses in both the Orient and the West.

FORTUNE, Fall 1990.

Whilst the rest of the world was affected by the Gulf crisis and global recession, in the Asia Pacific region, one country in particular was experiencing 9% growth per annum - Malaysia. And one corporation played a prominent role in that growth - Sime Darby.

*"... sitting on a lot of cash, and this is a region of opportunity."*

ASIAWEEK, July 5, 1991.

Founded in 1910 by a Scottish adventurer and an English banker, the Sime Darby Group now commands some impressive credentials. Market capitalisation of over US\$2 billion. Group turnover in 1991 exceeding US\$2 billion, a 12 percent increase over the previous year. A 30,000-strong workforce, spread throughout the region and other parts of the world. Six major core areas of business. One is apt to think that this company has pretty much rewritten the meaning of the word 'growth'.

*"... first class management, fat profits, and scorchingly hot growth rates."*

FORTUNE, Fall 1990.

This track record of non-stop growth for both Sime Darby and its partners seems to stem from their commitment to the time-honoured values

of reliability, fairness and plain honesty.

When it comes to joint ventures, the Sime Darby Group subscribes to one solid principle. That plain, old fashioned hard work, a commitment to quality and professionalism are the keys to successful partnerships.

Perhaps the most convincing testimony to the Sime Darby principle are the heavyweights which have chosen it as their business partner. Michelin. Esso. BMW. Caterpillar. Chubb. Ford. Hertz. Land Rover. Rengo. Inax. Shell. And Sumitomo Rubber Industries of Japan, to name a few.

*"... when facing recession, it still has good profits."*

NEW STRAITS TIMES, November 18, 1991.

Professional management and a strategy of consolidation have resulted in Sime Darby being rated one of the rare multinationals that still reaps outstanding profits in times of recession.

*Companies looking for an investment partner in the Asia Pacific region can contact Sime Darby at: The Communications Department, Sime Darby Berhad, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia. Telefax: 03-2987398, Telex: SDMAL MA 30038.*



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SOUTHEAST ASIA

Tourism / Money Spinners

Tourism Offers More Than a Pretty Face

While the rest of the world wallows in recession, virtually all the economies of Southeast Asia, from Hong Kong to Indonesia, continue to prosper and grow.

Despite the twin traumas of the Gulf war and recession, the Asia-Pacific region recorded 48 million arrivals last year. While some 22.7 percent of these came for business, an astonishing 40 million people came to the region purely for pleasure.

While many European and American airlines are fighting to keep aloft, most of Asia's airlines are flying high. Singapore Airlines, Cathay Pacific and Japan Airlines are three of the world's six most profitable carriers.

In recent years, four new regional carriers have been successfully launched: Hong Kong's Dragonair, South Korea's Asiana, Singapore's Silkair and Taiwan's Eva Airlines.

On the ground, splendid new hotels are opening almost every month in each of Asia's key cities. Long-established Western names like Hilton, Hyatt, Sheraton, Westin, Ramada and Kempinski are racing to expand their chains across the region.

In some places — such as Hong Kong, Thailand and Singapore — the tourism industry plays a major and even vital role in the economy, not only as an extensive employer, but also as a major money spinner.

In 1990, over 210,000 jobs were cre-

ated or already existed in Singapore's tourism industry, making it a major employer for a nation of just 2.5 million people. Singapore's value-added income from tourism has grown by an annual rate of 9.9 percent, from 2.08 billion Singapore dollars (\$1.3 billion) in 1981 to 4.35 billion Singapore dollars in 1990.

Tourist arrivals in Thailand have more than doubled since 1985, rocketing from just over 2 million that year to an estimated 5.3 million this year, when the kingdom expects to earn \$4 billion to \$4.5 billion from the tourism industry, making it the largest foreign exchange earner.

Even the Philippines, which has endured more than its share of political, economic and even geological problems, sees tourism as a possible way to jump-start its sluggish economy. According to the Philippine Department of Tourism, 950,100 visitors poured \$1.28 billion into the Philippine economy last year, making it the third-largest foreign-exchange earner.

After being closed for nearly 30 years, the Chinese have opened their doors to the tourist dollar. Everywhere in China, from Xinjiang in the remote

west to the frontier town of Harbin in the far north and sunny Hainan in the deep south, the Chinese are digging out old tombs, dusting off long-forgotten ruins and preserving previously ignored historical structures.

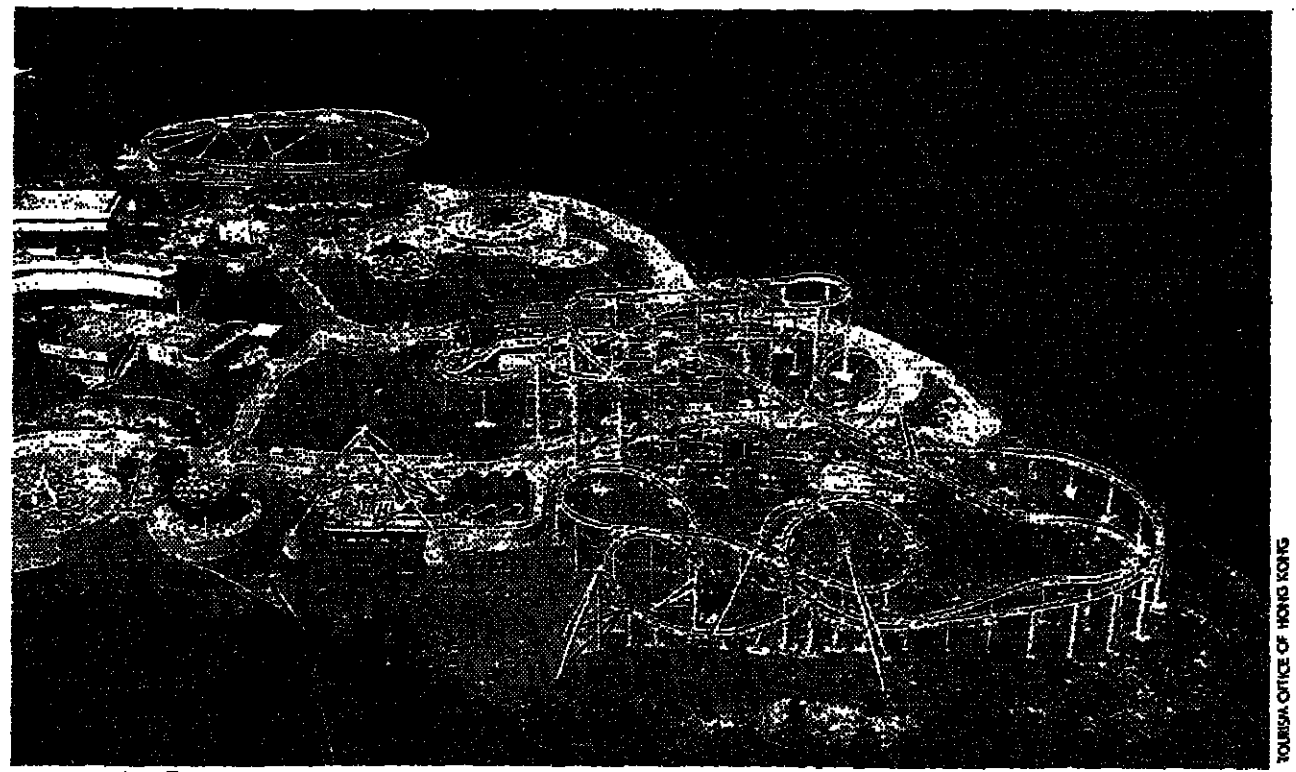
In addition to generating hard cash and employment opportunities, the tourism industry has played a major part in spurring the overall development of the region's infrastructure.

Kuala Lumpur's new \$8 billion airport, as well as Singapore's famous Changi, were each constructed partly to cater to tourism and encourage its growth. The same is true for new airports in Macao, Cebu and Langkawi as well as the \$182.5 million renovation of Manila's airport.

After years of competing against each other — there has already been a "Visit Thailand Year," a "Visit India Year" and a "Visit Indonesia Year" — the six founding nations of the Association of Southeast Asian Nations have sagely decided to mark the 25th anniversary of the founding of ASEAN by joining forces to promote their combined cultural treasures and national attractions.

Though "Visit ASEAN Year" began in January, interested participants will be pleased to know that Southeast Asia's best weather is yet to come — from September until December. Visitors flying into Asia with one of the region's six national carriers — Singapore Airlines, Thai Airways, Royal Brunei, Malaysia Airlines, Philippine Airlines and Garuda Indonesia — may be eligible for discounts on tickets purchased by Dec. 31.

Steven Knipp



Hong Kong's Ocean Park: Visitors to the colony every year almost equal the number of local residents.

Telecommunications / A Multitude of Choices

Fibers in Sea, Channels From the Sky

Southeast Asia came late to the age of modern telecommunications, but now it has definitely arrived. Within the past two years, the region has become a full-fledged global player in both satellite-television broadcasting and basic telecommunications.

Hovering above Singapore, the Asiasat 1 satellite beams region-wide television to 38 countries. In a nearby geocentric orbit, 22,000 miles (35,200 kilometers) above the earth's surface, a Palapa satellite relays the 24-hour-per-day CNN signal to hotels and other receiving sites throughout the region.

Far below, on the seabeds of the Indian and Pacific oceans and adjacent seas, multinational partnerships are laying growing amounts of fiber-optic cable. Their goal is to satisfy a huge demand for telephone, facsimile, data and video telecommunications originating and terminating in Asia.

The most notable advance in Asian telecommunications within the past year, though, has come from STAR TV. This is a Hong Kong-based operation owned jointly by the giant Hutchison Whampoa company and a private company held by Hutchison's multimillionaire owner Li Ka-Shing.

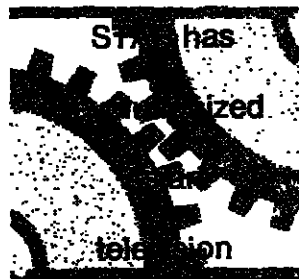
In August last year, STAR began relaying its first channel of satellite television across a wide swath of Asia, from Japan and Korea all the way across to the Middle East. Today, the company sends out five channels — four in English and one in Mandarin — on a 24-hour-per-day, seven-day-per-week basis. The vehicle for distribution is the Asiasat 1 satellite, which was launched in April 1990 from China's Sichuan province.

STAR has revolutionized the way in which many Asians regard television. Its English-language channels have a diverse global appeal. BBC World Service, in its commercial debut, provides STAR viewers with news; Prime Sports of Denver, Colorado supplies all-day sports; MTV offers a version of its U.S. programming, toned down for more conservative Asian tastes; and STAR Plus is an entertainment channel filled with episodes from American and British shows.

In countries that have traditionally offered viewers no more than a handful of conventional channels, the availability of multiple channels from the sky presents a remarkable new world of choice for viewers. It also worries governments and traditional local television

broadcasters. In the past, several governments in the footprints covered by STAR signals have strictly controlled what their populations were allowed to see. That is simple to do when the only broadcasting comes from terrestrial stations. It becomes far more difficult when viewers have access to satellite dishes that pick up STAR.

Several countries in STAR's footprint either ban or severely restrict the private ownership of dishes.



Malaysia and Singapore provide prime examples. But with the size of dishes falling below one meter (3.28 feet) in diameter, and increasingly sophisticated populations intent on sampling global entertainment, such bans are unlikely to remain effective for long.

STAR worries local broadcasters just as much. They fear that programming from the sky will bite deeply into their advertising revenues. Authorities caution, however, that satellite television and cable TV are in Asia to stay. Satellite programming promises huge profits for its progenitor. Ultimately, Asia is likely to become a larger television market than Europe and North America combined.

Asiasat, the consortium that launched the satellite responsible for beaming STAR TV to Asian homes, faces an equally prosperous future. Less than 30 months after its launch, Asiasat 1's capacity of 24 transponders has been leased. Each transponder can carry 1,200 simultaneous telephone calls or one television channel and 32 radio channels.

These developments indicate the rapidly increasing role of telecommunications throughout Asia. The activity is taking place beneath the sea and through the air. At the focal point of the seabed work are optical fibers — glass cables scarcely wider than a strand in a spider's web. These transmit voices and data in the form of laser-generated pulses of light, rather than the electronic signals used in familiar coaxial cables.

Since 1987, cable-laying ships have been depositing

a network of fiber-optic cables on the seabeds all around Asia. Undersea cables now extend from Malaysia and Singapore to as far as Japan and South Korea and then across to the west coast of North America. When completed in the mid-1990s, this "global digital highway" of optical fibers will stretch all the way around the Pacific Rim.

Cables now laid and planned will extend more than 150,000 kilometers underneath the Pacific and contiguous seas. Another cable, due to link Southeast Asia with the Middle East and Europe when it is laid in 1994, will add more than 18,000 kilometers to that span. Total investments in the cables that originate in the region will exceed \$5 billion.

The major benefit of fiber-optic cables comes from their huge capacity. For example, the cable that now links Japan with the west coast of the United States via Hawaii can carry up to 40,000 simultaneous telephone calls. That exceeds by a factor of 30 the capacity of the copper coaxial cables, which preceded optical fibers.

Such high capacities inevitably lead to cost-savings. The surge of fiber-laying has stimulated telecommunications companies to offer aggressive price cuts to hang onto their present Asia-Pacific customers and gain new ones. It also makes it feasible for suppliers to carry various value-added data services, along with video conferencing and — once it becomes commercially available — high-definition television.

Customers benefit from the clear quality of voices and data transmitted through optical fibers. Unlike coaxial cables, optical fibers suffer no static or cross-talk, which can break up voice conversations and damage data. Nor do callers experience the echo of telecommunications via satellite. In addition, it is almost impossible to tap into a fiber-optic line.

Business requirements have sparked much of the activity in optical fibers. In recent years, Asia has become a focus for international telecommunications companies and consortia offering specific business services, such as private networks, virtual private networks, sophisticated data services and video conferencing. Competition among those international providers has been further stimulated by deregulation of international phone and fax services in several Asian countries. Customers have re-

sponded spectacularly to the availability of new services. As further fiber-optic cables come into service and prices for international telecommunications continue to decline, the use of special services will continue to increase.

Another special service taking off in Asia is CT2 technology. A simple mobile handset gives users access to global telephone service via "teleports." These small receiving stations pick up radio signals from handsets within a range of about 100 meters and connect the handsets to the local telephone service. Once connected, the subscriber can dial anywhere in the world that can be reached by a conventional phone.

The technology made its debut in Britain in 1989, but a series of problems, including too few teleports, resulted in failure.

Asia has done far better. Singapore officially introduced the technology in January this year. Thailand followed the next month, launching a service in and around Bangkok, and Hong Kong's consumers had their first opportunity to make outdoor cordless calls in late March. Malaysia's capital of Kuala Lumpur and China's special economic zone of Shenzhen followed soon after.

Initial soundings indicate success. Singapore Telecom signed up about 20,000 customers in two months, and Hutchison Telecommunications had more than 15,000 subscribers when it started business in Hong Kong.

Peter Gwynne

Investment / Rules of Attraction

Winners and Losers in Capital Scramble

Continued from Page 17

pointed privatization as "a major driving force for encouraging securitization of assets and facilitating the freeing of capital to aid development." The World Bank, hailing "another stellar year for the East Asian and Pacific economies," has cited China, Vietnam, Laos and Mongolia as countries that are rapidly privatizing previously state-run economies.

In Southeast Asia, Vietnam and the Philippines continue to offer the sort of frontier investment opportunities — cheap, labor-intensive offshore manufacturing, mainly for export — that have been more typical of Malaysia, Indonesia and Thailand in recent years.

In the Philippines, the election of President Fidel Ramos and the country's apparent return to political stability have aroused the sort of investment sentiment that was last heard years ago, when the country was regarded as having the richest economic potential in Asia. Although the economy stood still for the first half of this year, agencies like the International Monetary Fund predict a year-end growth of as much as 3 percent. The government is now testing the international capital market with a plan to float three-year bearer bonds

worth up to \$150 million in the United States and Europe. Sentiment is now running so high that Finance Secretary Ramon del Rosario has declared: "We are on the brink of an economic takeoff."

Vietnam's foreign-investment regulations, described as the most attractive of all the socialist economies, have so far drawn pledges of around \$5 billion in joint-venture funds. Analysts say that probably three times that amount has poured in unofficially — mainly into manufacturing and property ventures — from Taiwanese and Hong Kong Chinese taking advantage of family connections in Vietnam.

In a sense, Vietnam can be considered a microcosm of the general investment syndrome in Southeast Asia. Although it aims to attract some \$50 billion in foreign funds by the year 2000, investment is currently constrained by the country's derelict infrastructure.

The current first wave of Taiwanese and Hong Kong investment is following the pattern of the past — targeting cheap-labor manufacturing, and property, tourism and hotel development. Although major Asian developers — such as Singapore's Keppel Corp. and Hong Kong's container port operators, Hong Kong International Terminals — are moving into

key infrastructural projects, Vietnam is resigned to waiting for the U.S. embargo to be lifted before securing loans needed to rebuild transportation, energy and telecommunications on a large scale. The lifting of the embargo would free the reins of the World Bank, the IMF and Japanese banks.

In the meantime, multinationals like Castrol and the Swedish ball-bearing manufacturer SKF have moved into Vietnam with an interest primarily in the domestic market. "We regard Vietnam as a dynamic market for the future and an even better opportunity than other countries in the region such as Thailand," says George Webster, manager of Castrol Vietnam. Economists such as Dr. Nguyen Xuan Danh, Harvard-educated architect of Vietnam's economic liberalization, make no bones about the challenge that the country now faces. "We are way behind," he says. "We have isolated ourselves for so long. So we are in a big rush to do whatever we can to get the economy moving."

The trouble is that, after so many years in economic and political limbo, Vietnam needs massive foreign investment at a time when, as Mr. Broadfoot predicts, there may no longer be enough to go around.

Derek Maltland

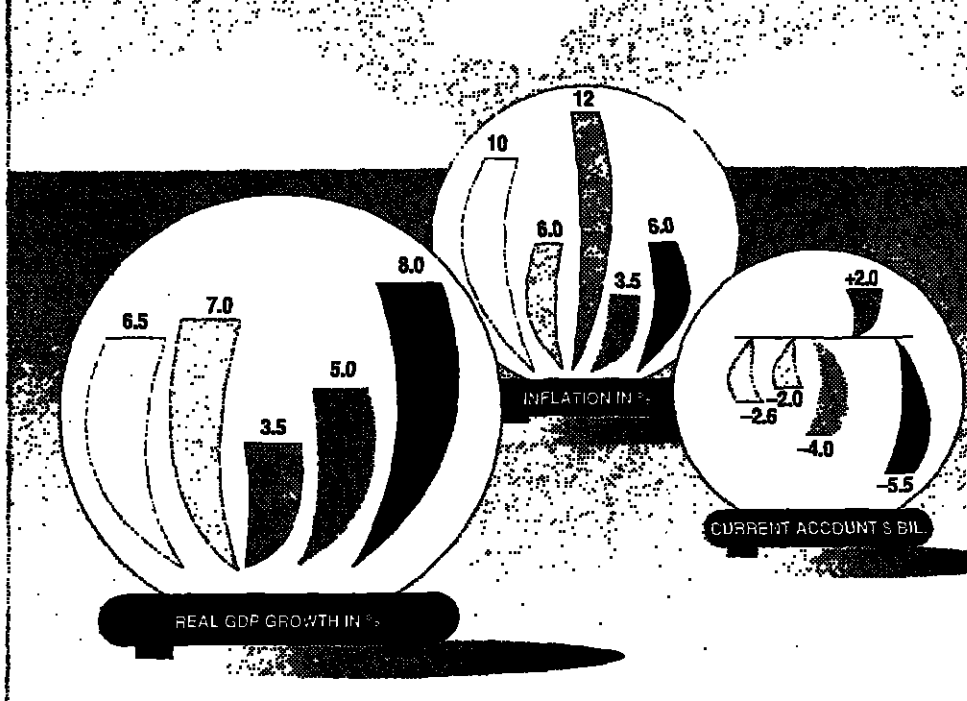
ECONOMIC PROGNOSIS 1994-1998

ALTHOUGH STILL ONE OF THE FASTEST-GROWING REGIONS IN THE WORLD, SOUTHEAST ASIA IS DETERMINED TO EASE INFRASTRUCTURE BOTTLENECKS, REDUCE INFLATION AND CURRENT ACCOUNT DEFICITS, AND BOOST INTRAREGIONAL TRADE AND INVESTMENT.

- INDONESIA
MALAYSIA
PHILIPPINES\*
SINGAPORE
THAILAND\*

\*1993-1997

SOURCE: POLITICAL RISK SERVICES, OCTOBER 1992



Infrastructure / Quantity and Quality

Investment Projects Spur Regional Development

Continued from Page 17

real-estate development in the world," the Kuala Lumpur City Centre project is due to start later this year. It will take 15 to 20 years to complete and include two 85-story office towers and other landmarks.

Meanwhile, work on Kuala Lumpur's new \$8 billion international airport, to be built by an Anglo-Japanese consortium, is scheduled to begin in early 1993. Government officials expect the first planes to be landing in 1997. The first phase will include a terminal complex

capable of handling 25 million passengers a year, with the capacity set at 90 million to 100 million when the whole project is completed.

One of the largest industrial-park developers in Malaysia is The Lion Group, whose businesses include steel products, transportation, finance, food and retailing as well as real-estate development, management and construction throughout Malaysia and Singapore. Among the group's projects are the Lion Industrial Park in Shah Alam and Cheng Industrial Park in Cheng, Malacca; an inte-

grated commercial-tourist-residential center in the Klang Valley; and the integrated Johore Gateway project.

In Thailand, one of the nation's most crucial infrastructural projects — the \$3.2 billion Bangkok mass-transit rail system — is finally under way after three years of stop-start negotiations. The first section of the 60-kilometer (37-mile) system, the brainchild of Hong Kong-based developer Gordon Wu, head of Hopewell Holdings, is expected to start running in late 1995, linking Don

Muang International Airport with downtown Bangkok. While Vietnam is beginning to attract major infrastructural investment, headed by Hong Kong International Terminals' plan to develop a modern container terminal in Saigon, there is keen interest in the activities of the country's leading foreign investor, Taiwan.

Work has already started on Taiwan's biggest project — a \$90 million, 300-hectare (741-acre) free-trade manufacturing and processing zone on the southern outskirts of Saigon.

Two Taiwanese firms, Central Trade and Development Corp. and Pan Viet Corp., have joined the city authorities in a joint venture to develop the zone, aiming to attract some 300 companies by the time it is completed in 1997. Most of these are expected to be Taiwanese companies seeking cheap offshore sites for manufacturing and processing.

The zone will offer them import- and export-duty exemptions, other tax concessions and "one-stop" business licenses.

D.M.

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# SPORTS SOCCER

## Leeds Routs Stuttgart, But Misses 2d Round

Leeds crushed VfB Stuttgart, 4-1, in an electrifying European Champions' Cup soccer match on Wednesday, but the English champions still crashed out of the competition after conceding a crucial away goal and having one disallowed.

Leeds came close to being the first English club to overturn a three-goal first-leg deficit in European competition when it evened the aggregate score at 4-4 in the 80th minute.

But Andreas Bueck's 33rd minute equalizer, scored on a rapid counterattack, proved ultimately decisive as the visiting German side reached the second round for the first time.

As Leeds poured forward on incessant attacks in the second half, the Germans defended

● In Vilnius, Lithuania, PSV Eindhoven of the Netherlands held Zalgiris Vilnius, 2-0, to advance on a 8-0 aggregate.

● In Bucharest, Dinamo advanced on a 2-1 aggregate by beating Kuusysi Lahti, 2-0, on Gabor Gerstenmejer's goal in the 64th minute and Sulejman Demollari's in the 114th.

● In Sofia, Austria Vienna lost to CSKA Sofia, 3-2, but advanced on a 5-4 aggregate.

● In Riga, Lech Poznan held Skonto Riga to a 0-0 draw and the Polish team advanced on a 2-0 aggregate against the Latvian team.

● In Copenhagen, Glasgow Rangers edged Lyngby BK, 1-0, and advanced to the second round on a 3-0 aggregate.

Forward Ian Durrant broke through the Danish club's defense in the 84th minute and beat Lyngby's goalie Kim Brodersen for the game-winner.

The Scots put the Danish team under constant pressure. But Lyngby's defense played well while its forwards disappointed.

● In Nicosia, AEK of Athens advanced to the second round on goal aggregate after drawing 2-2 with Apollon of Nicosia.

The first leg match of the two teams in Athens earlier this month ended in a 1-1 draw, thus giving AEK a 5-4 goal advantage under the away rule.

Apollon started strongly, missing a goal in the 14th minute when a shot by Andros Soteriou hit the AEK goal's upright bar.

AEK's Rafik Sabanadzovic put his team ahead on the 30th minute with a powerful long shot. AEK appeared to have the game wrapped up when striker Alexis Alexandris banged in a second goal in the 70th minute.

But the Apollon players regained their composure in a rally during the closing minutes of the second half, scoring twice in quick succession.

Sinica Gogic headed the ball over AEK goalie Andonis Minou in the 77th minute and Costas Fasoulitis scored the equalizer in the 84th from close range.

● In Liege, Belgium, Lorenzo Staelsen broke down stiff resistance of Maccabi Tel Aviv and Gert Verheyen scored two more goals to give FC Bruges a 3-0 victory and a place in the second round.

Tel Aviv crumbled only in the 70th minute when Bruges produced its best attack against the outsiders. Claude Verspalle chased down a deep pass on the right and immediately crossed it to the center, where midfielder Staelsen deflected it just inside the far corner.

Ten minutes from time, striker Gert Verheyen was brought down in the penalty area but Dutchman Focke Booy missed the penalty.

But Verheyen struck back with a header in the 85th minute and tapped in Bruges' third goal after Staelsen had hit the post.



Petr Varbac outran Airdrie's James Boyle as Sparta Prague won in the Cup Winners' Cup.

## Bremen Loses, But Advances

Werder Bremen, holder of the Cup Winners' Cup title, went down 2-1 in an all-German duel at Hannover 96 on Wednesday but squeezed into the second round of the soccer tournament on 4-3 aggregate.

Striker Wynton Rufer of New Zealand put Bremen ahead by converting a penalty in the 19th minute.

Reinhold Daschner revived Hannover's hopes with goals in the 29th and 33rd minutes, but the German second-division team could not find the target in the second half although it exerted constant pressure.

striker Jürgen Klinsmann squandered several chances.

● In Tel Aviv, Hapoel Petah Tikva beat Feyenoord Rotterdam, 2-1, to gain a 2-2 aggregate tie, but Feyenoord advanced on the away-goals differential. Hapoel - Mayer Levin scored for Hapoel in the second minute and Motti Kakkoo in the 50th, but Henk Fraser rescued Feyenoord in the 59th.

● In Prague, Sparta Prague beat Airdrie of Scotland, 2-1, and gained the second round with a 3-1 aggregate score. Petr Vrabec, in the 31st minute, and Roman Vnasek, in the 37th, scored for the Czech team. Kenny Black got a goal in the 55th minute for Airdrie.

● In Turku, Finland, Trabzonspor of Turkey gained a 2-2 tie against TPS Turku and advanced on a 4-2 aggregate. Gyorgi Kajdu scored from TPS in the first minute and Kim Lehtonen in the 84th, but Trabzonspor got goals from Hami Mandirali in the 14th and Orhan in the 60th.

● In Odessa, Ukraine, Olympiakos Pireus beat Chornomorets Odessa, 3-0, to advance with a 4-0 aggregate.

● In Beggen, Luxembourg, Spartak Moscow routed Avenir Beggen, 5-1, and advanced to the second round with a 5-1 aggregate.

● In Lucerne, Switzerland, the home team edged Levski Sofia, 1-0, and gained the next round on 2-2 aggregate and the away-goals rule.

## CLUB CHAMPIONS' CUP

frantically and in the 76th minute Maurizio Gaudino scooped the ball away after a header hit a defender and ricocheted on to the bar with Leeds players claiming it had crossed the line.

Gary Speed put Leeds ahead with a powerful close-range volley after 18 minutes and Gary McAllister put them back in front with a penalty just before halftime. French international Eric Cantona added a third in the 66th and Lee Chapman scored the fourth.

● In Stavanger, Norway, Barcelona, the Champions' Cup holders, scraped past unfancied Viking Stavanger after a 0-0 draw gave them a 1-0 aggregate victory. The Spanish had most of the play but got bogged down in midfield against a tenacious Viking side.

The Norwegians caused a major surprise in the first leg, holding out until four minutes from time.

The nearest Viking came to breaking the deadlock when Sander Solberg intercepted a poor Ronald Koeman pass, only to miss his shot.

● In Ljubljana, Slovenia, AC Milan defeated CSJ Olimpija, 3-0, to advance on a 7-0 aggregate. The goals were scored by Daniele Massaro in the 31st minute, Frank Rijkaard in the 48th and Marco Tassotti in the 85th.

● Olympique Marseille scored two goals early, then coasted through the rest of the contest as it rolled into the second round with a 3-0 victory over visiting Gientoran of Northern Ireland.

The French club, the national champion the last four years, got goals by Francois Omam-Biyik in the seventh minute and Abedi Pele in the 13th, then Basile Boli scored in the 72d minute.

Marseille had routed Gientoran, 5-0, in the first-leg match two weeks ago.

● In Budapest, Ferencvaros Budapest and Slovan Bratislava tied, 0-0, with the Slovak team advancing on a 4-1 score from the first leg.

● In Bucharest, Romania, Sigma Olomouc of Czechoslovakia advanced on a 3-1 aggregate with a 2-1 victory over Universitatea Craiova. Ionel Gane opened the scoring for the home team in the 21st minute, but Milan Kerber in the 37th and Milan Kerber in the 42d scored for Sigma.

● In Izola, Slovenia, Benfica advanced on an 8-0 aggregate after beating Izola Belvedur, 5-0.

● In Mikkei, Finland, FC Copenhagen advanced on a 10-1 aggregate after beating MP Mikkei, 5-1, with Martin Johansen scoring twice.

● In Frankfurt, strikers Axel Kruse and Anthony Yeboah scored first half hat tricks to lead Eintracht Frankfurt to its highest ever European Cup victory, a 9-0 rout of Poland's Widzew Lodz.

Frankfurt reached the second round with an 11-2 aggregate score.

Kruse opened the scoring in the ninth minute and completed his hat trick in the 14th and 37th. Yeboah was on target in the 21st, 22d and 36th to make it 6-0 at the half.

Yeboah netted his fourth in the 68th minute, before Uwe Rahn and Uwe Bein ended the slaughtering in the 83d and 90th.

● In Athens, Panathinaikos Athens beat Electropire Craiova of Romania, 4-0, to move up on a 10-0 aggregate score.

● In Trondheim, Norway, the home team, Rosenborg, shut out Dynamo Moscow, 2-0, but the Russian squad advanced on 5-3 aggregate.

● In Vienna, Rapid of Vienna beat Dynamo Kiev, 3-2, but failed to advance. Kiev gained the next round on a 3-3 aggregate on the away-goal rule.

## CUP WINNERS' CUP

Hannover won the German Cup last season, beating Werder Bremen on the way to the final. Bremen won last season's Cup Winners' Cup.

● In Monaco, the home team played to a scoreless draw with Miedz Legnica, but Monaco advanced to the next round on 1-0 aggregate.

Monaco's trainer, Arsene Wenger, banned from the sideline after being sent off for arguing with the referee in the first leg, in Poland, sat high in the stands for the home leg with a walkie-talkie to pass instructions to his bench.

But his team showed a lack of imagination in the goalless draw with the unfancied Polish second division side. The German World Cup

## Ajax Amsterdam Gains In Defense of Its Title

Ajax Amsterdam, the reigning UEFA Cup champion, moved into the second round of this year's tournament Wednesday with a 3-1 second-leg victory over visiting Salzburg of Austria.

In posting a 6-1 aggregate score, Ajax played fast, attacking soccer and had the upper hand for much of the match, spending long periods in their opponents' half.

Swedish international striker Stefan Pettersson opened the scoring for Ajax in the 26th minute, cutting in a powerful shot from the edge of the penalty area.

Star striker Dennis Bergkamp, whose accurate lob was fumbled off the Salzburg line just before half time, made it 2-0 in the 49th minute with a well-struck shot off a pass from defender Frank de Boer.

But Salzburg refused to accept defeat and regained a goal back on a long shot from

goals as Glasgow Celtic overturned FC Cologne's 2-0 first-leg lead to win 3-0 and romp into the second round.

Celtic wiped out Cologne's first leg lead before halftime. The German national team goalkeeper, Bodo Illgner, already had made some stunning saves before his punched clearance landed eventually at the feet of Paul McStay who scored in the 37th minute.

Two minutes later, with the German defense reeling, Collins smashed home a 25-meter shot as Celtic tied the aggregate score. Collins' second goal and the clincher for Celtic came nine minutes from the end.

● In Naples, the Uruguayan forward Daniel Fonseca played only the first half but still added one goal to the five he scored in the previous game as Napoli defeated Spain's Valencia, 1-0, and sailed into the second round.

The Italian team advanced on a 6-1 aggregate.

● In Plovdiv, Bulgaria, Fenerbahce of Turkey advanced on a 5-3 aggregate by gaining a 2-2 tie with Botev on Ridvan Dilmen's goals in the 37th and 78th minutes. Bogidar Iskrenov, in the fifth minute and Yasen Petrov in the 41st, scored for Botev.

● In Bucharest, Romania, Sigma Olomouc of Czechoslovakia advanced on a 3-1 aggregate with a 2-1 victory over Universitatea Craiova. Ionel Gane opened the scoring for the home team in the 21st minute, but Milan Kerber in the 37th and Milan Kerber in the 42d scored for Sigma.

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## UEFA CUP

midfielder Andreas Reisinger 10 minutes later.

After a careful build-up by Bergkamp, Pettersson's 80th-minute second goal put the result beyond doubt.

● In Rome, Thomas Hassler, making a successful comeback following a one-month injury, scored on a free kick in the 50th minute to give AS Roma a 1-0 victory against Wacker Innsbruck and the Italian team gained the second round with a 5-1 aggregate score.

Hassler, a regular member of the German national team who had been sidelined with a knee injury, led several swift attacks and scored the winning goal.

● In Edinburgh, Hearts of Scotland swept to a 4-2 victory over Slavia Prague and advanced to round two on a 4-3 aggregate.

A goal down from the first leg, Hearts drew level on aggregate in the 10th minute when Gary Mackay collected a pass from John Robertson and shot home from 16 meters.

Four minutes later Jaroslav Silhavy made it 1-1, putting his team ahead again overall, when he earned in a corner kick.

Midway through the first half of a see-sawing game, Hearts scored again when Iain Baird headed in a center from Eamonn Bannon.

And three minutes before the interval, it was 3-1 for the Scots when defender Craig Levein headed in a corner from Bannon.

Slavia had Penicka sent off in the 58th minute for his second offense but made it 3-2 through Pavel Kuka in the 66th.

It looked like Slavia might advance through scoring more away goals before Glyn Snodin turned the game Hearts' way again 11 minutes before the end with his first goal for the club.

● In San Sebastian, Spain, Real Sociedad triumphed over visiting Victoria, 2-0, but Victoria Guimaraes advanced on 3-2 aggregate.

● In Glasgow, John Collins grabbed two

## BOOKS

### THE DOUBLE LIFE OF STEPHEN CRANE: A Biography

By Christopher Benfey. 294 pages. \$35. Alfred A. Knopf Inc., 201 East 50th Street, New York, New York 10022.

Reviewed by Jonathan Yardley

ONE of the more mysterious oddities of American literary history is that Stephen Crane, who played a substantial part in that history, has been so ill-served by his biographers. The first of these, Thomas Beer, seems to have invented many of the "facts" with which he adorned Crane's life; the second, John Berryman, engulfed poor Crane in a tidal wave of intense, frequently loony Freudian analysis; the third, R. W. Stallman, suffocated him under a massive blanket of trivia and turgid prose.

Perhaps this is no great loss. Literary biography tends to pay greater service to the higher gossip than to literature itself; the small but rich body of his own work is all that really should matter to us about Crane. Still, there are questions about his life that might further our understanding of that work. Chief among these is, perhaps, this: How is it that Crane was able to write so vividly and with such apparent authority about experience — war and death, slum life and prostitution — of which he himself had no direct knowledge?

## BRIDGE

### By Alan Truscott

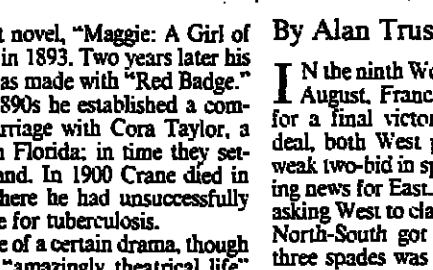
IN the ninth World Team Olympiad in August, France countered Indonesia for a final victory. On the diagrammed deal, both West players opened with a weak two-bid in spades, which was exciting news for East. He bid two no-trump, asking West to clarify his hand, and then North-South got into the act. North's three spades was a cue-bid clubs in his turn, showing a big fit in spades.

Both sides pushed on to the sixth level, and East eventually doubled six spades in the expectation of scoring at least two aces. He was not at all happy when South ruffed the opening heart lead.

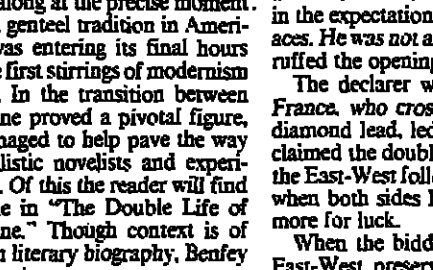
The declarer was Michael Perron of France, who crossed to dummy with a diamond lead, led a trump and quickly claimed the doubled slam. In the replay, the East-West followed the old principle: when both sides have a big fit, bid one more for luck.

When the bidding reached six clubs, East-West preserved to six spades and were doubled. The declarer, Hervé Moulou of France, correctly judged that all the missing hearts were with North and took a deep finesse in that suit failing by one trick. The French gained 16 imps en route to victory in the match, 21 to 9.

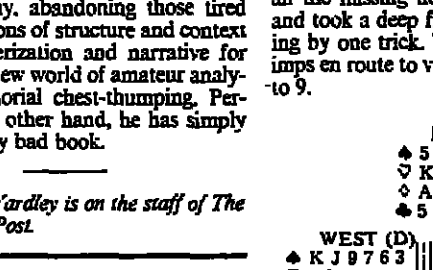
## PEANUTS



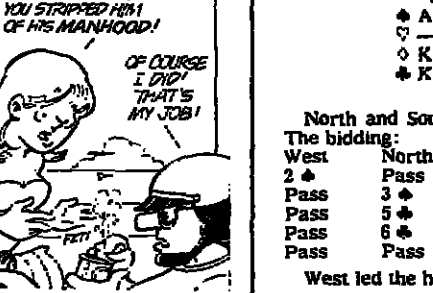
## BEETLE BAILEY



## CALVIN AND HOBBS



## WIZARD of ID



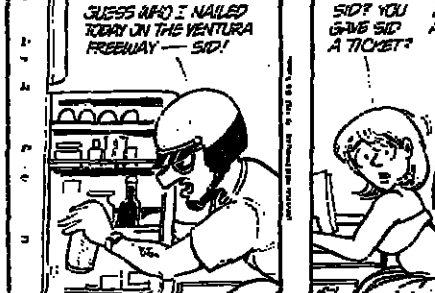
## REX MORGAN



## GARFIELD



## DOONESBURY



## DENNIS THE MENACE



## JUMBLE

Unscramble these four jumbles. One letter in each jumble is from an ordinary word. The very first letter of the word is in the jumble.

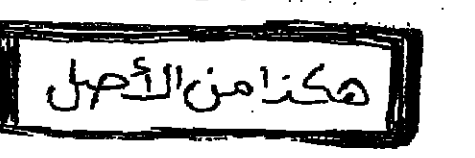
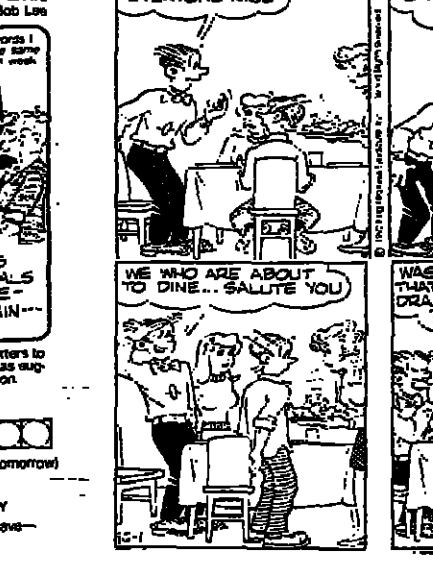
TCHEP  
LOHLE  
BLOTEG  
UTTOLE

Print answer here: \_\_\_\_\_

Answers tomorrow

Yesterday's Jumble: 0009. MUSIC HICUP NINETY  
Answer: What a successful borrower has to have: A SENSE OF TOUCH.

## BLONDIE





# SPORTS BASEBALL

كلذا من الاجل

## Back on the Court: The Right Decision

By George Vecsey  
New York Times Service

NEW YORK — You could call it courage. You could call it ego. You could call it denial. You could call it love. Whatever label you want to put on it, the decision belonged to Magic Johnson, and he made it: "I'm back."

It was the right decision because the authorities say he is not harming anybody else by taking his stricken body onto the court. It was the right decision because the evidence is that he can still compete with the best players in the world. And it was the right decision because ultimately we are all retired for one very long time. In the meantime, that improbable meantime, why shouldn't Earvin Johnson do what he loves best?

### Vantage Point

It is a basketball player who has never felt more than the aches and pains of oncoming athletic old age and the sluggish symptoms that made him see a doctor last fall, when he discovered he was stricken with the HIV illness that will someday lead to AIDS.

But he has never felt the crippling back pains that made Larry Bird retire, and he has never felt the clumsiness that told Julius Erving it was time to quit, and he has never felt the slowness that finally told Kareem Abdul-Jabbar it was time to give it up. Magic knows, at least intellectually, that he will have AIDS one of these years. In the meantime, he wants to play basketball at the level he thinks he can still reach. Who could deny him this?

Certainly, Cookie Johnson, his wife, could not stop him, although there were plenty of not-so-funny little jokes that suggested she had tried. For example, Johnson said he had paid her \$1 million so she would agree to let him play. "My wife told me one out of ten, or else she's leaving me — she and the baby," he said. And he didn't sound as if he were making it up. There were suggestions that the Lakers had long ago accepted that his No. 32 would stay in the rafters. Jerry West, the general manager and hardly a close friend of Johnson's, had been dropping hints in recent days that the Lakers were well stocked at point guard. But when Johnson made up his mind, West dutifully said the right things.

THE LAKERS physician, Michael Mellman, sounded far more neutral than his patient. He noted that the husky, 235-pound Magic had taken a year off from the three-hour nights, the dawn flights, the hotel food, the physical pounding, of a basketball season. Johnson has been under doctors' care. No wonder he looks good.

"We are not taking this lightly," Mellman said. They are letting an outpatient try to play a National Basketball Association season, or at least 50 to 60 games, and the number goes up when Johnson mentions the places he'd like to visit. Whatever you think is behind that broad Southern California show-biz grin, Johnson has earned the right to try.

I saw him play in the All-Star Game in Florida last February, and I saw him play in the Summer Games in Barcelona, and I think he can still play in the league. But 60 games at 30 minutes?

Some people are afraid of watching Magic Johnson collapse one night on the court. That's not going to happen. If his body starts wearing down, if the mediocre point guards start racing past him, people will be embarrassed for him much sooner than they will be shocked.

Or maybe he will have a glorious season, make the grand tour, politely turn down the gifts and the ceremonies, and then "ride out into the sunset," as Johnson put it Tuesday.

He will be threatening nobody else, according to Dr. David Rogers, a professor of medicine at Cornell University Medical College-New York Hospital, who is the vice chairman of the National Commission on AIDS. Rogers was convincing last February when he reassured the other All-Stars that nobody was likely to catch AIDS from being on the same court with Johnson.

"I think it's splendid," Rogers said Tuesday. "It sends a wonderful message. He's opting to do what feels good for him. You don't have to withdraw from life."

Rogers said there had been "zero" documented cases of somebody catching AIDS during an athletic contest. "After a dozen years of experience," he said, "one of the few bright spots about AIDS is that it's so hard to get except in very specific ways."

Did Rogers have any advice for Johnson? Indeed he did, words of affirmation for a proud athlete to keep going, as long as his body will permit. His words were straight from the gym rather than medical school: "Go for it."

Who could deny this to Magic Johnson?



Magic Johnson, with his wife, Cookie, announcing he will play again for the NBA Lakers this season.

## NBA Welcomes Magic Back

### Return Called 'Great' for League, Lakers and Johnson

Compiled by Our Staff From Dispatches

Pat Riley was not surprised. "I felt all along that Magic would come back," said the New York Knicks' coach, who also coached Magic Johnson for nine seasons with the Los Angeles Lakers and won four National Basketball Association titles during that time.

"As it has always been in his life, it's another challenge for him and the Lakers," Riley said. "It was obvious from the All-Star game and the Olympics that Magic realized just how much this game was a part of his life."

"He is obviously going to live his life as he chooses and pursue his dreams," he added. "This is another great day in the life of Magic Johnson. He will provide the fans with what they've missed. I wish him only the best."

That was the general sentiment after Johnson announced he would play again for the Lakers. The reaction from around the league:

• Larry Bird, a rival and friend who announced his retirement from the Boston Celtics six weeks ago: "I am thrilled for Magic, and I am glad he will be able to continue playing. I'm sure that he and his family have made the decision that they feel is best for him, and I wish him all the luck in the world. It will be great to watch him play again."

• The Indiana Pacers' president, Donnie Walsh: "I think for the benefit of NBA fans and all the people involved in the game of basketball that it is great Magic is returning. He's a once-in-a-lifetime player, and we'll all get to see him play some more."

• Reggie Lewis, a player for the Celtics: "I'm not surprised at all. I know Magic. He's a real competitor, and he loves to play the game. I felt that if he was healthy enough and if the doctors agreed with him and said that it was O.K., he could come back."

• Doc Brown of the Celtics, who said he wasn't concerned about playing against someone who carries the HIV virus, which causes AIDS: "It doesn't bother me at all. You worry about his health because you don't know what's going to happen if he wears himself down too quick."

• Commissioner David Stern: "We have conferred with his doctors, who have advised they are comfortable with Magic's decision to return to active competition. We are pleased that he feels well enough to return."

• Dr. David E. Rogers, an NBA consultant and vice chairman of the National Commission on AIDS: "For him to resume his career is a very encouraging statement to others that are HIV-positive that they can lead normal lives."

• Garry St. Jean, the Sacramento Kings' coach: "Like everyone else, we wish him all the best. Who else in the league has more fun playing basketball than Magic Johnson?"

• Randy Prund, the Lakers' rookie coach whose job had just been rendered easier and/or more complex: "I've got 100 pages of motion offense and all kinds of other things that I'll walk back in the office and put in the file."

Johnson's decision makes the Lakers' preseason prospectus instantly resplendent. Without him, the Lakers appeared to be a borderline playoff team, reliant chiefly on forward James Worthy's sketchy rehabilitation from knee surgery.

With Johnson, who can play four positions, the Lakers are "a championship-caliber team, no question," said the general manager, Jerry West.

"I think it will be something that will be workable," he added. "Our coaches are going to have to look at the problems that having a relatively part-time player might create. But coaches have to be flexible, and they'll have to be a little bit more flexible this year."

"Obviously, the more games he played would be great for us," West said. "But the most important thing is to maintain his good health."

Will Johnson's abbreviated season be disadvantageous to the rest of his team, which must get used to his cyclical playing schedule?

"Let me say this about the big picture," said Prund. "I think this is a great day for the Lakers and Lakers fans. There are people with all kinds of disabilities and diseases. I think it should not be overlooked how hard Earvin has worked to bring himself back, and how he's kept a positive attitude through this whole thing."

The leadership Earvin provides, the confidence this team has playing behind him, I think makes the difference," he added. "The continuity, we'll just have to wait and see. It could be difficult at times, but the difficulty will be overshadowed by the leadership Earvin gives us."

(LAT, NYT, WP, AP)

## Brewers Keep the Heat On the Jays as Both Win

The Associated Press

The Toronto Blue Jays keep winning and the Milwaukee Brewers keep winning, which means the Oakland Athletics will continue waiting.

The American League East race got only a little closer to being settled as the Blue Jays beat the Boston Red Sox on Tuesday night and the Brewers then topped the Seattle Mariners. Despite reducing their magic number for clinching the title to three, the Blue Jays must still nervously keep an eye on the Brewers, who seem to have chosen not to lose.

"We did the things again tonight that were supposed to do to win games," said Milwaukee's manager, Phil Garner. "We're keeping the pressure on, and we're doing it by playing good, sound baseball."

Milwaukee won its seventh straight and 15th in 17 games to remain 2½ behind Toronto, of which it has won a not-so-shabby 8 of 11 itself. The Brewers have five games left, the Blue Jays four.

"We're not even thinking about Milwaukee," insisted Jimmy Key, who won his fifth straight start for Toronto to run his September record in the major leagues to 26-11.

"If we win three games, it doesn't matter what they do," he said. "We're going to win three games, it doesn't matter what they do."

Brewers 7, Mariners 4: What the Brewers did do in Seattle was hit a club record-tying nine doubles as rookie Cal Eldred won his 10th straight game, tying a club mark set by Chris Bosio last week.

### AMERICAN LEAGUE

#### The AL East Race

Team	W	L	Pct.	GB
Toronto	73	46	.613	—
Milwaukee	70	47	.597	2½

Toronto (4) — Home (4): Sept. 30, Boston; Oct. 2, 3, 4, Detroit.  
Milwaukee (13) — Away (15): Sept. 30, Oct. 1, Seattle; 2, 3, 4, Oakland.

Robin Yount hit three of the doubles and Kevin Seitzer and Paul Molitor each two as the Brewers beat the Mariners for the sixth straight time.

Eldred allowed homers to Tino Martinez and Jay Bulmer but only six hits over seven innings, while striking out five and walking one. He is 6-0 with a 1.17 earned-run average in September, only slightly better than his 1.45 mark for the season.

Blue Jays 5, Red Sox 2: Devon White got three hits and scored twice for Toronto, playing at home. Toronto took a 3-0 lead in the first on Joe Carter's sacrifice fly and RBI doubles by Dave Winfield and Candy Maldonado.

Indians 4, Yankees 3: Albert Belle hit his 34th homer, a bases-empty shot in the sixth, as Cleveland rallied to overcome a 3-0 deficit and beat visiting New York.

Orioles 7, Tigers 2: Tim Lincecum hit his second homer leading off the second in Detroit, got two RBIs, as did Luis Mercedes, and Ben McDonald, winless in his previous eight starts, held the Tigers hitless for 3½ innings and combined on four-hitter for Baltimore.

Twins 5, White Sox 4: Shortstop Esteban Beltré's throwing error let Bernardo Brito score from second base, capping Minnesota's fourth-run ninth that kept visiting Chicago from pulling into a tie for second place in the West, and prevented Jack McDowell from getting his 21st victory.

Athletics 5, Rangers 0: Jose Canseco returned to Oakland but watched from the bench as former teammate Harold Raines hit a two-run homer and Mike Moore and Jeff Parrett held Texas to four hits as the West champions ended a three-game losing streak.

Kevin Brown failed to get his 21st victory for the Rangers. Royals 2, Angels 6: Dennis Rasmussen pitched a one-hitter in California, giving the Kansas City pitcher a victory over every American League team, as Mike MacFarlane led off the fifth with a homer and singled in a run in the ninth.

George Brett, still four hits shy of 3,000, sat out his second straight game with a strained left shoulder and remained questionable for Wednesday night.

Bert Blyleven held the Royals hitless until Keith Miller, who had three of his team's seven hits, led off the fourth with a single. It was Blyleven's first complete game since June 11, 1990.

## Braves Win Title Again In NL West

The Associated Press

The Atlanta Braves became the first National League West team to repeat as champions in 14 years, and set up a rematch of last year's thrilling playoff series with the Pittsburgh Pirates.

The Braves won their fourth division title by beating the San Francisco Giants, 6-0, Tuesday night in Atlanta. That, coupled with Cincinnati's loss to Los Angeles, eliminated the second-place Reds.

Charles Leibrandt pitched his second shutout — the 23rd by the Braves' staff this season — Ron Gant put the Braves ahead for good in the second inning with his 17th homer and they broke it open with a four-run fourth.

A sellout crowd of 40,860 saw the Braves become the first NL West winner to repeat since the Los Angeles Dodgers in 1977-78. Atlanta's overall division crowns came in 1969 — the first year of divisional play — and in 1982.

On Oct. 6, Fulton County Stadium figures to be sold out again when the Braves start the playoffs at home against the Pirates. Last October, Atlanta beat Pittsburgh in seven games, winning the last two at Three Rivers Stadium.

Dodgers 5, Reds 0: In Cincinnati, Pedro Astacio pitched a three-hitter for his fourth shutout — the most by a Los Angeles rookie in a season since Orel Hershiser had four in 1984 — and the Dodgers scored twice in the first without a hit out of the infield.

A walk to Jose Ojeda, Brett Butler's bunt single and Eric Young's high chopper loaded the bases, Eric Karros' sacrifice fly brought in Ojeda and Butler scored on Mike Scioscia's ground out.

Phillies 5, Mets 3: Reliever Anthony Young lost his 14th straight decision when his wild throw on Joe Miliute's sacrifice bunt led to a three-run rally in the ninth that gave Philadelphia a victory in New York and tied the teams for last place in the East.

Pirates 3, Cubs 0: Andy Van Slyke hit a two-run homer and four Pittsburgh pitchers combined for a two-hit shutout in Chicago.

Cardinals 2, Expos 1: Rod Brewer singled home the winning run in the 10th as St. Louis beat visiting Montreal.

Astros 6, Padres 5: Luis Gonzalez hit a two-run double in the ninth as Houston, playing at home, rallied past San Diego.

Gary Sheffield got his 100th RBI and Fred McGriff his 99th for the Padres. Both scored in the eighth, when San Diego took a 5-4 lead.

## Magic Is Better, Doctor Says, but Playing Is Risky

Los Angeles Times Service

INGLEWOOD, California — An improvement in Magic Johnson's condition was perhaps the overriding factor in his decision, a team physician said.

Michael Mellman, one of his doctors, acknowledged Tuesday for the first time that Johnson had improved since announcing 10 months ago that he had contracted the human immunodeficiency virus.

Mellman, an internist, attributed Johnson's improvement to four factors: the use of the antiviral drug AZT, the fact that Johnson did not play in the NBA last season, a change of diet and exercise, and a decrease in travel.

Mellman said he doesn't know how Johnson's return to the Lakers will affect his condition.

"We can theorize as much as we want," he said. "The problem is we haven't had anyone in this position before."

Johnson said his T-helper cell count had increased but refused to elaborate. It is believed to have been about 500 per cubic millimeter of blood when he started AZT treatment last year. Normal levels range from 800 to 1,200.

The T-helper cells in the blood are critical parts of the body's immune system, and AZT, or zidovudine, is thought to initially boost the cell count for six to eight months in HIV patients.

Once the T-helper cells have been destroyed, the delicate balance of the body's immune system is upset, and it cannot protect a person against many infections that it would normally combat.

"It is a fact he is assuming a risk, the magnitude of which we don't know," Mellman said. "He also assumed a risk in not playing."

Although encouraged by recent test results, the doctors will now focus on how Johnson's immune system will react to the stresses of the NBA.

The mental strain could have a detrimental effect, said Robert T. Schooley, head of the infectious diseases division of the University of Colorado Health Sciences Center. But the data are limited on what could happen, he added.

Mellman said he had advised Johnson to go slowly. He said treatment might change as Johnson's situation changed. "You try to adjust as you go," he said.

### SCOREBOARD

#### BASEBALL

##### Major League Standings

AMERICAN LEAGUE				
Team	W	L	Pct.	GB
Toronto	73	46	.613	—
Milwaukee	70	47	.597	2½
Baltimore	67	54	.556	6
Cleveland	75	62	.547	17½
Chicago	74	64	.536	19
New York	74	64	.536	19
Boston	70	68	.510	23

##### Tuesday's Line Scores

Team	Score	Opponent	Score
New York	6-0	Boston	0-3
Cleveland	6-0	Chicago	0-4
Kenneth (1)	7-1	Nelson (1)	0-2
Nolan (1)	7-1	Plank (1)	0-2
Spivey (1)	7-1	Karnicki (1)	0-2
Soriano (1)	7-1	Plank (1)	0-2
Bease	7-0	Plank (1)	0-2
Toronto	7-0	Plank (1)	0-2
Dorville (1)	7-0	Plank (1)	0-2
Henke (1)	7-0	Plank (1)	0-2
Wade (1)	7-0	Plank (1)	0-2

##### West Division

Team	W	L	Pct.	GB
Atlanta	94	62	.603	—
Cincinnati	89	67	.569	5
San Diego	77	80	.491	17½
San Francisco	69	88	.439	25½
Los Angeles	62	95	.395	32½

##### Central League

Team	W	L	Pct.	GB
Houston	64	57	.528	—
Yankees	64	57	.528	—
Yankees	65	61	.516	1½
Houston	62	63	.496	4
Texas	60	65	.480	4
Chicago	58	68	.460	8½

##### Japanese Baseball

Team	W	L	Pct.	GB
Houston	64	57	.528	—
Yankees	64	57	.528	—
Yankees	65	61	.516	1½
Houston	62	63	.496	4
Texas	60	65	.480	4
Chicago	58	68	.460	8½

##### For the Record

Kanin Krabe, Grit Brewer and Manuella Derr, who tested positive for the drug clenbuterol, are being expelled from their Neuberger-berkeley athletics club, its officials said Wednesday. The German athletics federation official said the three will have no legal right to appeal the test results if they are not members of a club. (Reuters)

##### TRANSACTIONS

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American League  
CHICAGO—Extended contract of Womper Gene Lamont through 1994 season.

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ART BUCHWALD

Honorable Cover-Ups

WASHINGTON — "Mr. Roberts." "YESSIR."

"As you are now an Academy plebe I will administer the honor code oath which you will be expected to obey for the next four years."

"Do you know why you are taking the oath, Mr. Roberts?" "Because someday I will be a naval officer in command of my own ship, charged with the lives of many men and women, and therefore my word must be truthful and my actions beyond reproach."

"Very good. Midshipmen are persons of integrity. They do not lie, cheat or steal. Do you promise to live by this code?" "I promise, so help me God."

"Are there any questions?" "Yessir. Do I have to keep the honor code after I leave the Academy?"

"In moderation. But there are always exceptions. For example, if you run into a situation where your actions, or those of your fellow officers, would embarrass the Navy you can stretch the code a teeny, weeny bit."

"How far?" "As far as you think you have to. The honor code means one thing here in Annapolis, but it could mean something entirely different in Las Vegas."

"Yessir. Could you give me an example?" "Suppose your shipmates are having a little 'rest and recreation' in Las Vegas and breaking a few rules. You don't have to report

them because it is not the Navy's business."

"Do I obey the honor code if I am asked to investigate any untoward sexual abuse?"

"The Navy would prefer you didn't. We have admirals who are specially assigned to handle any bad weather the service might run into. Mr. Roberts, once you leave the academy your job is to be an officer and a gentleman, and that doesn't mean rating on someone you serve with."

"Does being an officer and a gentleman mean respecting women?"

"Yes, it does. At the same time, as an officer you will have to make the hard decisions as to exactly how much respect females should receive. This is a judgment call and must be made by each commander according to who is at battle stations."

"I would never confuse right with wrong, sir."

"Mr. Roberts, the Navy is getting a very bad press because women sailors are using the honor code against us. They are reporting their shipmates for sexual harassment and other crimes and misdemeanors. If they continue doing this we intend to do away with the honor code and go to something a little more comfortable for flag officers to live by."

"Yessir. It doesn't make sense to have a strict honor code and then have women use it to advance their own careers."

"You have four years ahead of you. Keep your feet dry and your back to the wind, and when you go on leave, try to avoid Las Vegas."

"You can count on me, sir. I will chart my course so that I will not get involved in Navy cover-ups—at least not until I get out of school."



Buchwald



Damon Evans will sing farewell to Sportin' Life in Covent Garden production of 'Porgy and Bess' in London next month.

Damon Evans: Life After 'Porgy'

By Sheridan Morley

LONDON — The "Porgy and Bess" that opens at the Royal Opera House Covent Garden on Oct. 9 is essentially the same Trevor Nunn production that took critics and audiences by storm when it opened at Glyndebourne in July 1986. That was the first British staging of the complete score, and this is the first time the Gershwin classic will have been seen at Covent Garden, with the Glyndebourne principal casting still intact: Willard White as Porgy, Cynthia Haymon as Bess and Damon Evans as Sportin' Life.

For Evans, this is both a first and a last; his debut at the Royal Opera House, and the last time he will be seen as Sportin' Life.

"It's a great role, undoubtedly the greatest for a musical-comedy character in an opera, but I've played him now in Oakland, Tulsa, Chicago and Finland as well as Glyndebourne, and there's a danger in getting too associated with the part. When I played Joe recently in 'Carmen Jones' at the Old Vic, nearly all the reviews referred to me as Sportin' Life and you have to be careful about a thing like that."

On the verge of his 40th birthday, Evans has recently taken up residence in London and is contemplating marriage. The tremendous acclaim that he's had for both "Porgy" and "Carmen Jones" warns him toward the idea of a career based in Britain, but as he is all too aware, it is still not going to be easy. "I know you," an agent said to me recently, "you're a black American romantic tenor, and there's not a thing I can do for you."

Evans is accustomed to overcoming such little handicaps. The son of a lab technician, he was born and brought up in Baltimore ("Cab Calloway went to school with my grandmother"), and joined a children's theater group

when he was 10. He got a Reader's Digest scholarship to "a kind of 'Fame' school" in Michigan, and at 17 went to the Manhattan School of Music, having decided he would rather be a classical singer than an actor.

"But I had to pay for the tuition and make money to live, so I got into the original off-Broadway 'Godspell,' and then a TV soap called 'Love of Life' and that in turn led me to Hollywood where I spent three years as Lionel in 'The Jeffersons.' That was a very difficult time for me. I knew it wasn't what I wanted to be doing or where I wanted to be, but on the other hand it was a hugely successful TV series and it was paying for all my music studies. I'd attained the American dream, but it was the wrong one and I knew I had to get out."

Before leaving Hollywood, Evans played the young Alex Haley in the sequel to "Roots," then returned to music school in New York, living on residuals from "The Jeffersons."

"That was a very slow and difficult time: I came back to New York in 1979 and it wasn't until 1985 that I made my opera debut in 'Harriet — The Woman Called Moses.' Six years in the wilderness, totally out of my element because I'd left Hollywood and not yet rejoined New York, living eventually on a career grant of \$1,000 until the New York City Opera took me in."

"Because I'd been a star in popular television, the opera establishment just wouldn't take me seriously, and that was at least one of the reasons why I came to London, where the conductors Simon Rattle and André Previn began to find me concert work. Another problem was that I ran into trouble with the Met without even working there. They offered me another Sportin' Life in their 1989 'Porgy,' but they wouldn't offer me anything else beyond

that, and the money was insulting, so I turned the offer down. But maybe you shouldn't make enemies like that. Rightly or wrongly, I've felt blacklisted by them ever since."

Evans decided that his future lay in Britain, and came back for the "Carmen Jones" which won him an Olivier Award nomination last year. "In New York for a while I couldn't get arrested, whereas in London I've only ever had two weeks out of work. Somehow my television past doesn't seem to be a problem here, although it's very difficult to give up a home and a culture. I hope not to lose it altogether; I want to continue my adult studies at the Manhattan School, and of course I still have family ties in Baltimore."

"But I don't always want to be involved in ethnic projects. From London the whole of Europe opens up, and I've already started concert work in the Netherlands as well as a recording [with his 'Porgy' partner Willard White] of Tippett's 'Child of Our Times.' I lost a lot of time by going to California. Opera stars are meant to have made a major debut by the time they are 30, and I was at least five years behind. But now I just hope the door stays open at Covent Garden."

In the meantime, writing in the annual Glyndebourne program, Evans has left us a remarkable definition of the importance of the current production:

"'Porgy and Bess' will never quite be the same again, for this is different from any American staged version. . . . Gone are the unconsciously racist minstrel-show traditions of American theater. Gone is the condescending question of whether 'Porgy' is an opera or not. Gone is any question of the true genius of George Gershwin. This British production of an American classic brings the opera to its full glory. 'Porgy and Bess' has finally come of age."

PEOPLE

Serious Jackson Mania

Michael Jackson, in Bucharest for what is billed as the biggest-ever performance by a Western pop star in Romania, is giving the country's election stiff competition. State television alternated updates on the presidential and parliamentary election results with Michael Jackson look-alike contests and music videos. Campaign posters of President Ion Iliescu and his rivals appeared to fade next to the ubiquitous Jackson placards. Shops offered Jackson T-shirts, and a 9-meter (30-foot) replica of the "Dangerous" album cover adorned the Intercontinental Hotel, where Jackson's staff is staying. About 22,000 police and security guards will be on hand Thursday for the concert at the 62,000-seat National Stadium. All concert proceeds are to benefit 100,000 Romanian orphans. Jackson planned to visit with orphans and tour the castles associated with Dracula.



President Ion Iliescu and Michael Jackson.

Mick Jagger and Jerry Hall are keeping the rumor mills running full time with their off-on relationship. They were spotted in public together for the second time since their well-publicized marital spat last summer and "looked like love-struck teenagers as they constantly hugged and kissed" during a concert by the country singer Dwight Yoakam. The Sun newspaper reported in London.

Ken Burns, the producer and director of the documentary series "The Civil War," will make a film on Thomas Jefferson in conjunction with the 250th celebration of Jefferson's birth on April 13, 1743. "My central question always is: 'Who are we as a people?'" Burns said. "That question informs every film I make, and if there is one individual who answers it, it would be Jefferson."

George Burns is already planning his 100th birthday — on Jan. 20, 1996. Said the comedian from Los Angeles: "I'm booked to play the Palladium in London when I'm 100, and I hope the Palladium is still there. I know I will be."

Margaret Thatcher, in yet another role change, has been formally invested as chancellor of the University of Buckingham.

An absent-minded valet forgot to turn off bath taps at Buckingham Palace and sent water cascading through the building. The palace confirmed the mishap but denied a report that the repairs would cost £15,000 (\$26,000). The water poured from the apartments of Prince Edward and seeped through three floors, damaging furnishings and wiring. The prince has an iron bathtub dating from Queen Victoria's reign.

President George Bush and Governor Bill Clinton may have more in common than just a desire to occupy the Oval Office — they may be related. Harold Brooks-Baker, publisher of Burke's Peerage, says researchers discovered the two men had ancestors in the English village of Gotham. "In small towns in England several hundreds of years ago . . . every person was related," Brooks-Baker said. But he admitted the family ties were more a matter of deduction than based on documentary evidence.

Greece's former King Constantine is transferring about 20 hectares (50 acres) of land around his forested Tatoi estate to the state to help settle \$3 million in back taxes. He'll also donate 3,826 hectares surrounding the estate for use as a national park.

See page 14 for INTERNATIONAL RECRUITMENT

Mirror, Mirror on the Auction Block

The Associated Press

PARIS — A tiny bronze mirror that once belonged to a Roman general and an oval, hand-held looking glass unearthed in a pharaoh's tomb are among 250 precious mirrors to be auctioned in December.

The rare collection — the largest, most diverse known to be in private hands — will be sold at the Georges V Hotel on Dec. 8, auctioneer Jacques Tajan announced Wednesday.

"The mirrors are mostly one of a kind, and they reflect the scientific knowledge and religious beliefs of a particular civilization at a given time," explained Leon Anlen, 64, a retired industrialist who spent

more than 30 years amassing the collection.

Anlen said he decided to sell the collection because it was virtually complete. "There's practically nothing left to collect. It's time for me to turn the page, and give other collectors a chance," he said in an interview in his mirror-adorned home outside Paris.

The auctioneers hope that the pieces might bring up to 500,000 francs each (as much as \$100,000).

More than 100 mirrors are from ancient China and are decorated with traditional symbols of the seasons, the zodiac, the elements and the landscape.

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CALENDAR

- FRANKFURT SEPTEMBER 30-OCTOBER 5: 44th Frankfurt Book Fair, MesseGelande, Tel. 210 20
MADRID OCTOBER 10: Opening of the Thyssen-Bornemisza collection, Palacio de Villahermosa. Tel. 420 39 44
FRANKFURT OCTOBER 25: Frankfurt Marathon
MADRID NOVEMBER 12-20: SIMO, International Office Equipment and Data Processing Show, Parque Ferial Juan Carlos I. Tel. 722 50 00
FRANKFURT NOVEMBER 17 - JANUARY 17: Drawings by Honoré Daumier, Stadel Art Institute. Tel. 605 0980
MADRID DECEMBER 5-13: FERRIARTE, Spanish Antiques Fair, Parque Ferial Juan Carlos I. Tel. 722 50 00

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